

ANNEXURE A



VISION

A prosperous, sustainable and community-oriented city

MERA FONG CITY LOCAL MUNICIPALITY

MEDIUM TERM BUDGET 2018/2019 TO 2020/2021

MISSION

**To provide quality services to our community through
accountable governance**

MEDIUM TERM BUDGET 2018/2019 TO 2020/2021

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1 Operating Revenue Framework

For Merafong City to continue improving the quality of services provided to its citizens it needs to generate the required revenue. In these tough economic times strong revenue management is fundamental to the financial sustainability of every municipality. The reality is that we are faced with development backlogs and poverty.

The expenditure required to address these challenges will inevitably always exceed available funding; hence difficult choices have to be made in relation to tariff increases and balancing expenditures against realistically anticipated revenues.

Expenditure has been trimmed in areas that will not adversely affect service delivery, or where programmes are underperforming.

The municipality's revenue strategy is built around the following key components:

- National Treasury's guidelines and macroeconomic policy;
- Growth in the Council and continued economic development;
- Efficient revenue management, which aims to ensure a 75 per cent annual collection rate for property rates and other key service charges;
- Electricity tariff increases as approved by the National Electricity Regulator of South Africa (NERSA);
- Achievement of full cost recovery of specific user charges especially in relation to trading services;
- Determining the tariff escalation rate by establishing/calculating the revenue requirement of each service;
- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA);
- Increase ability to extend new services and recover costs;
- The municipality's Indigent Policy and rendering of free basic services; and
- Tariff policies of the Council.

The following table is a summary of the 2018/19 MTREF (classified by main revenue source):

Table 1 Summary of Revenue classified by main source

GT484 Merafong City - Table A4 Budgeted Financial Performance (revenue and expenditure)								
Description	2014/15	2015/16	2016/17	Current Year 2017/18		2018/19 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Revenue By Source								
Property rates	142,591	150,504	161,560	176,768	170,883	185,386	196,509	208,299
Service charges - electricity revenue	215,672	242,703	257,857	295,220	258,085	273,707	290,129	307,537
Service charges - water revenue	236,119	252,419	256,785	312,717	258,632	294,017	311,658	330,358
Service charges - sanitation revenue	25,735	28,798	27,843	31,651	30,574	29,090	30,836	32,686
Service charges - refuse revenue	49,807	52,189	54,903	64,137	61,755	58,477	61,985	65,705
Service charges - other								
Rental of facilities and equipment	1,162	1,266	2,442	1,586	2,207	2,340	2,480	2,629
Interest earned - external investments	8,194	5,602	7,318	2,786	16,120	6,500	6,500	6,500
Interest earned - outstanding debtors	43,477	54,674	73,429	79,690	87,650	93,004	98,585	104,500
Dividends received					-			
Fines, penalties and forfeits	17,139	13,525	30,950	5,765	10,222	10,836	11,486	12,175
Licences and permits	8,324	13,054	16,615	14,397	10,417	16,397	17,381	18,424
Agency services					-			
Transfers and subsidies	324,708	205,367	278,087	248,539	239,910	227,399	222,993	242,913
Other revenue	1,870	4,879	5,917	7,293	6,054	6,226	6,599	6,995
Gains on disposal of PPE								
Total Revenue (excluding capital transfers and contributions)	1,074,800	1,024,979	1,173,706	1,240,549	1,152,510	1,203,379	1,257,141	1,338,720

Table 2 Percentage growth in revenue by main revenue source

GT484 Merafong City - Table A4 Budgeted Financial Performance (revenue and expenditure)								
Description	Current Year 2017/18		2018/19 Medium Term Revenue & Expenditure Framework					
R thousand	Adjusted Budget	% Increase	Budget Year 2018/19	% Increase	Budget Year +1 2019/20	% Increase	Budget Year +2 2020/21	% Increase
Revenue By Source								
Property rates	170,883	5.77%	185,386	8.49%	196,509	6.00%	208,299	6.00%
Service charges - electricity revenue	258,085	0.09%	273,707	6.05%	290,129	6.00%	307,537	6.00%
Service charges - water revenue	258,632	0.72%	294,017	13.68%	311,658	6.00%	330,358	6.00%
Service charges - sanitation revenue	30,574	9.81%	29,090	-4.85%	30,836	6.00%	32,686	6.00%
Service charges - refuse revenue	61,755	12.48%	58,477	-5.31%	61,985	6.00%	65,705	6.00%
Service charges - other								
Rental of facilities and equipment	2,207	-9.61%	2,340	6.00%	2,480	6.00%	2,629	6.00%
Interest earned - external investments	16,120	120.29%	6,500	-59.68%	6,500	0.00%	6,500	0.00%
Interest earned - outstanding debtors	87,650	19.37%	93,004	6.11%	98,585	6.00%	104,500	6.00%
Fines, penalties and forfeits	10,222	-66.97%	10,836	6.00%	11,486	6.00%	12,175	6.00%
Licences and permits	10,417	-37.30%	16,397	57.41%	17,381	6.00%	18,424	6.00%
Transfers and subsidies	239,910	-13.73%	227,399	-5.21%	222,993	-1.94%	242,913	8.93%
Other revenue	6,054	2.31%	6,226	2.84%	6,599	6.00%	6,995	6.00%
Gains on disposal of PPE								
Total Revenue (excluding capital transfers and contributions)	1,152,510	-1.81%	1,203,379	4.41%	1,257,141	4.47%	1,338,720	6.49%

In line with the formats prescribed by the Municipal Budget and Reporting Regulations, capital transfers and contributions are excluded from the operating statement, as inclusion of these revenue sources would distort the calculation of the operating surplus/deficit.

Revenue generated from rates and services charges forms a significant percentage of the revenue basket for the Municipality. Rates and service charge revenues comprise 69.9 percent of the total revenue mix. In the 2018/19 financial year, revenue from rates and services charges totalled R840.7 Million.

Operating grants and transfers totals R239.9. million in the 2017/18 financial year and decreases to R227.4 in 2018/19 and to R223.0 Million in 2019/2020 and increases to R242.9 Million in 2020/21.

The following table gives a breakdown of the various operating grants and subsidies allocated to the municipality over the medium term:

Table 3 Operating Transfers and Grant Receipts

GT484 Merafong City - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand										
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		182,807	173,125	248,009	167,619	167,619	167,619	210,069	205,793	224,748
Local Government Equitable Share		178,319	168,320	162,952	163,084	163,084	163,084	185,872	203,628	222,151
Finance Management		1,600	1,600	1,625	1,700	1,700	1,700	1,700	2,165	2,597
Municipal Systems Improvement		934	930	–	1,365	1,365	1,365	1,365		
EPWP Incentive		1,954	2,275	1,424	1,470	1,470	1,470	1,180		
Disaster Grant				82,008				21,317		
Other transfers/grants [insert description]										
Provincial Government:		92,643	28,573	41,182	80,920	71,963	71,963	17,330	17,200	18,165
Housing		85,444	18,670	26,282	64,919	55,474	55,474			
Department of Sports, arts, culture and recreation		5,845	9,903	12,900	15,001	15,489	15,489	15,330	16,200	17,000
Agricultural and Rural Development		1,354		–	500	500	500			
EPWP Incentive				500	500	500	500	500		
Department of Cooperative Governance and Traditional Affairs				1,500				1,500	1,000	1,165
District Municipality:		1,415	1,732	1,650	–	–	–	–	–	–
HIV Programme		1,415	1,732	1,650						
Other grant providers:		–	–	–	–	–	–	–	–	–
[insert description]										
Total Operating Transfers and Grants	5	276,865	203,430	290,842	248,539	239,582	239,582	227,399	222,993	242,913
Capital Transfers and Grants										
National Government:		67,929	70,769	131,585	97,428	95,428	95,428	135,938	120,475	119,699
Municipal Infrastructure Grant (MIG)		57,929	56,008	52,519	67,428	65,428	65,428	64,938	66,275	69,974
National Electrification Programme		10,000	10,000	15,000	10,000	10,000	10,000	16,000	19,200	12,800
Water Services Infrastructure Grant				–	20,000	20,000	20,000	55,000	35,000	36,925
Department of Water and Sanitation				8,000						
Energy Efficiency and Demand Side Management				–						
Disaster Grant				36,067						
Municipal Water Infrastructure grant			4,761	20,000						
Provincial Government:		39,727	68,796	26,282	26,282	74,782	74,782	66,900	–	–
Human Settlement Grant		39,727	63,896	26,282	26,282	74,782	74,782	46,900		
Dept Water and Sanitation			4,900					20,000		
District Municipality:		–	–	–	–	–	–	–	–	–
HIV Programme										
Other grant providers:		–	–	–	–	–	–	–	–	–
[insert description]										
Total Capital Transfers and Grants	5	107,656	139,566	157,867	123,710	170,210	170,210	202,838	120,475	119,699
TOTAL RECEIPTS OF TRANSFERS & GRANTS		384,521	342,995	448,709	372,249	409,792	409,792	430,237	343,468	362,612

Tariff-setting is a pivotal and strategic part of the compilation of any budget. When rates, tariffs and other charges were revised, local economic conditions, input costs and the affordability of services were taken into account to ensure the financial sustainability of the City.

National Treasury continues to encourage municipalities to keep increases in rates, tariffs and other charges as low as possible. Municipalities must justify in their budget documentation all increases in excess of the 6 per cent upper boundary of the South African Reserve Bank's inflation target. Excessive increases are likely to be counterproductive, resulting in higher levels of non-payment.

The percentage increases of Rand Water bulk tariffs are far beyond the mentioned inflation target. Given that these tariff increases are determined by external agencies, the impact they have on the municipality's tariffs are largely outside the control of council. Discounting the impact of these price increases in lower consumer tariffs will erode the City's future financial position and viability.

It must also be appreciated that the consumer price index, as measured by CPI, is not a good measure of the cost increases of goods and services relevant to municipalities. The basket of goods and services utilised for the calculation of the CPI consist of items such as food, petrol and medical services, whereas the cost drivers of a municipality are informed by items such as the cost of remuneration, bulk purchases of electricity and water, petrol, diesel, chemicals, cement etc. The current challenge facing the City is managing the gap between cost drivers and tariffs levied, as any shortfall must be made up by either operational efficiency gains or service level reductions. Within this framework the City has undertaken the tariff setting process relating to service charges as follows.

1.1 Property Rates

As at 01 July 2012, the total valuation for the mines was R4.6 billion. The valuation appeal board reduced the valuation to R253m with the net effect that the total property rates recoverable were reduced to R18m. The municipal valuer immediately proceeded with the compilation of supplementary valuation 3 and due to the amendment of the Municipal Property Rates Act, the surface buildings and infrastructure was included. The total mines valuation based on Supplementary valuation 3 increased to R1.8 billion, generating approximately R60m property rates per annum.

The mining houses made certain proposals relating to the splitting of the immovable property, buildings and surface infrastructure to be valued with the mining rights which effectively enabled the municipality to significantly increase the existing value of R1, 8 billion on the SV3.

Due to the fact that for at least the next two and a half years, the total property rates recovered is still being offset against the refund due to the mining houses, it was agreed to reduce the existing SV3 property value in accordance with a particular agreement, pending the finalization of supplementary valuation 6 that is to be drafted in a particular format as agreed with the mining houses. Furthermore, the mining houses have agreed that the effective date for implementation of SV6 will applied retrospectively to the implementation date of SV3, being 01 August 2015.

It was agreed that the new valuations will only be effective after the completion of the appeal process and is anticipated that the process will be completed by November 2018. Council received supplementary valuation roll 6 which was advertised for inspection from the mines.

The percentage rebate granted to Pensioners accordingly to the different monthly household income levels will be determined according to the schedule below.

The proposed incomes and rebates for pensioners for the 2018 / 2019 financial year as follows: Gross Annual Household Income 2018/2019	% Rebate
R 1 To R 80 000	100%
R 80 001 to R 84 000	75%
R 84 001 to R 88 000	50%
R 88 001 to R 92 000	25%
R 92 001 and above	0%

This is an increase of 5% comparing to 2017/2018. Council had not increase the annual gross household income levels in the past two years.

1.2 Sale of Electricity and Impact of Tariff Increases

The National Energy Regulator of South Africa (NERSA) published their “Municipal Tariff Guideline Increase, Benchmarks and Proposed Timelines for Municipal Tariff Approval Process for the 2018/19 Financial Year” on 28 February 2018.

The NERSA document proposes a 6.84 per cent guideline increase for municipal electricity tariffs for 2018/19. This is based on a bulk tariff increase for municipalities of 7.32 per cent.

Council will not be in a position to increase its tariffs to achieve a fully cost-reflective tariff due to high electricity losses.

The disturbing fact is that we have sold 80.293 Million units in the first six months of 2017/2018 comparing to 90.392 Million in 2016/2017. We have purchased 116.857 Million in 2017/2018 comparing to 116.816 in 2016/2017 first six months.

The electricity sales were 12% less than the 2016/2017 sales and this represented R15.9 Million for the six months.

Registered indigents will again be granted 50 kWh per 30-day period free of charge

It should further be noted that NERSA has advised that a stepped tariff structure needs to be implemented from 1 July 2011. The effect thereof will be that the higher the consumption, the higher the cost per kWh. The aim is to subsidise the lower consumption users (mostly the poor).

The Council had already implemented block tariffs.

The inadequate electricity bulk capacity and the impact on service delivery and development remains a challenge for the Municipality. The upgrading and extension of the municipalities' electricity network has therefore become a strategic priority, especially the substations and transmission lines.

It needs to be mentioned in the event that NERSA approves an additional increase to Eskom that council will have to increase the tariffs to cover the additional increase as approved by the Minister of Finance.

Council had not received the final determination of Tariffs for 2018/2019. The proposed tariffs were submitted to NERSA for approval.

1.3 Sale of Water and Impact of Tariff Increases

Rand Water had advised council that they will increase their water tariffs to municipalities by 12.2% from the 1 July 2018.

In light of the current drought experienced across large parts of the country, water is now a scarce resource that must be conserved.

Municipalities must put in place appropriate strategies to curb water losses as a result of leakages. The ageing infrastructure is a contributing factor as many municipalities have historically inadequately provided for repairs and maintenance and renewal of water infrastructure.

Water tariffs must be on aggregate fully cost-reflective – inclusive of bulk cost of water, the cost of maintenance and renewal of purification/treatment plants and network infrastructure, and the cost of new infrastructure;

Water tariffs must be structured to protect basic levels of service; and

Water tariffs must be designed to encourage efficient and sustainable consumption (e.g. through inclining block tariffs).

Merafong had implemented block tariffs in the past.

Council had incorporate a higher tariff where consumers using more than 50 Kilo litres and in addition the increase will be in excess off the proposed tariff increase from Rand Water. Consumers that abuse water will pay in excess than the proposed increase by Rand Water.

Water losses are out of control the average unaccounted for water stands at 48.65% for the six months under review. This is directly affecting council's tariffs.

The total purchases in volumes is 7.3 Million kilo liters for 2017/2018 compared to 6.4 Million for 2016/2017 which is a clear indication of the magnitude of water losses as the sales remained constant.

Council will not be in a position to increase its tariffs to achieve a fully cost–reflective tariff.

Other services cannot continuously subsidies water and therefore water tariffs will have to increase beyond the bulk increase from Rand Water.

The tariff structure of the 2018/19 financial year has not been changed. The tariff structure is designed to charge higher levels of consumption a higher rate, steadily increasing to a rate of R35.00 per kilo liter for consumption in excess of 50kl per 30 day period.

Consumers that abuse water, tariff increases will be in excess of Rand Water increase. The increase for the poor and consumers that use water wisely will be less than the bulk increase from Rand Water.

1.4 Sanitation and Impact of Tariff Increases

The proposed increase is not in-line with the guideline of 6% as the function is not cost reflective in 2018/2019 as councils tariffs are not fully cost reflective.

Sanitation tariffs must be on aggregate fully cost-reflective – inclusive of the cost of maintenance and renewal of purification/treatment plants and network infrastructure, and the cost of new infrastructure;

Sanitation tariffs must be structured to protect basic levels of service; and Sanitation tariffs must be designed to encourage efficient and sustainable consumption (e.g. through inclining block tariffs).

Council had commenced with the roll out of Pre-paid water meters. Sanitation tariffs are linked to the usage of water. This will result in that a separate tariff must be implemented for sanitation charges.

Merafong had implemented block tariffs in the past.

The following factors also contribute to the proposed tariff increase:

- Sanitation charges are calculated according to the percentage water discharged as indicated in the table below;
- Free sanitation (6 kℓ water) will be applicable to registered indigents.

1.5 Waste Removal and impact of Tariff Increases

It's of utmost importance that refuse removal must be cost reflective.

A further aspect that has a serious influence on solid waste tariffs is the rehabilitation of the landfill site. In addition due to the financial situation of council vacant posts are not filled and the current employees must work overtime to perform their tasks.

The tariffs for solid waste management must take into account that it is good practice to maintain a cash-backed reserve to cover the future costs of rehabilitating landfill sites.

Council will have to implement a solid waste strategy to ensure that this service can be rendered in a sustainable manner over the medium to long-term.

The main contributors to this deficit are repairs and maintenance on vehicles, increases in general expenditure such as petrol and diesel, the cost of remuneration and the rehabilitation of the land fill site.

Considering the deficit, it is recommended that a comprehensive investigation into the cost structure of solid waste function be undertaken, and that this include investigating alternative service delivery models.

1.6 Overall impact of Tariff increases on Households

The following table shows the overall expected impact of the tariff increases on a large and small household, as well as an indigent household receiving free basic services.

Note that in all instances the overall impact of the tariff increases on household's bills has been kept to between 8.3 and 8.4 per cent.

Table 4 MBRR Table SA14 – Household bills

GT484 Merafong City - Supporting Table SA14 Household bills

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19 % incr.	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Rand/cent											
<u>Monthly Account for Household - 'Middle Income Range'</u>	1										
Rates and services charges:											
Property rates		540.17	577.99	619.13	662.46	662.46	662.46	6.5%	705.52	747.86	792.73
Electricity: Basic levy		56.25	64.70	70.00	71.16	71.16	71.16	7.5%	76.51	81.10	85.96
Electricity: Consumption		1,217.00	1,356.00	1,426.50	1,489.50	1,489.50	1,489.50	6.8%	1,591.39	1,686.87	1,788.09
Water: Basic levy											
Water: Consumption		283.50	325.50	364.56	396.75	396.75	396.75	11.2%	441.18	467.65	495.71
Sanitation		145.25	131.25	141.75	201.50	201.50	201.50	7.6%	216.75	229.76	243.54
Refuse removal		120.00	130.00	140.00	155.00	155.00	155.00	9.0%	168.95	179.09	189.83
Other											
sub-total		2,362.17	2,585.44	2,761.94	2,976.38	2,976.38	2,976.38	7.5%	3,200.30	3,392.32	3,595.86
VAT on Services		255.08	281.04	299.99	323.95	323.95	323.95		374.22	396.67	420.47
Total large household bill:		2,617.25	2,866.48	3,061.93	3,300.32	3,300.32	3,300.32	8.3%	3,574.52	3,788.99	4,016.33
% increase/decrease			9.5%	6.8%	7.8%	-	-		8.3%	6.0%	6.0%
<u>Monthly Account for Household - 'Affordable Range'</u>	2										
Rates and services charges:											
Property rates		370.04	395.94	424.13	453.81	453.81	453.81	6.5%	483.31	512.31	543.05
Electricity: Basic levy		56.25	67.40	70.00	71.16	71.16	71.16	7.5%	76.51	81.10	85.96
Electricity: Consumption		499.00	551.00	572.00	605.17	605.17	605.17	6.8%	646.56	685.35	726.47
Water: Basic levy											
Water: Consumption		229.00	263.00	294.56	319.50	319.50	319.50	10.3%	352.40	373.54	395.96
Sanitation		124.75	109.25	118.00	176.00	176.00	176.00	7.4%	189.00	200.34	212.36
Refuse removal		120.00	130.00	140.00	155.00	155.00	155.00	9.0%	168.95	179.09	189.83
Other											
sub-total		1,399.04	1,516.59	1,618.69	1,780.65	1,780.65	1,780.65	7.6%	1,916.73	2,031.73	2,153.64
VAT on Services		144.06	156.89	167.24	185.76	185.76	185.76		215.01	227.91	241.59
Total small household bill:		1,543.10	1,673.48	1,785.92	1,966.40	1,966.40	1,966.40	8.4%	2,131.74	2,259.65	2,395.23
% increase/decrease			8.4%	6.7%	10.1%	-	-		8.4%	6.0%	6.0%
				-0.20	0.50	-1.00	-				
<u>Monthly Account for Household - 'Indigent'</u>	3										
<u>Household receiving free basic services</u>											
Rates and services charges:											
Property rates		199.91	213.90	229.13	245.16	245.16	245.16	6.5%	261.10	276.77	293.37
Electricity: Basic levy		56.25	67.40	70.00	71.16	71.16	71.16	7.5%	76.51	81.10	85.96
Electricity: Consumption		310.00	339.50	366.66	372.90	372.90	372.90	6.8%	398.38	422.28	447.62
Water: Basic levy											
Water: Consumption		174.50	200.50	224.56	242.25	242.25	242.25	8.8%	263.66	279.48	296.25
Sanitation		104.25	87.25	94.25	150.50	150.50	150.50	7.1%	161.25	170.93	181.18
Refuse removal		120.00	130.00	140.00	155.00	155.00	155.00	9.0%	168.95	179.09	189.83
Other											
sub-total		964.91	1,038.55	1,124.60	1,236.98	1,236.98	1,236.98	7.5%	1,329.85	1,409.64	1,494.22
VAT on Services		107.10	115.45	125.83	138.85	138.85	138.85	#NAME?	160.31	169.93	180.13
Total small household bill:		1,072.01	1,154.00	1,250.43	1,375.83	1,375.83	1,375.83	8.3%	1,490.16	1,579.57	1,674.34
% increase/decrease			7.6%	8.4%	10.0%	-	-		8.3%	6.0%	6.0%

2 Operating Expenditure Framework

For Merafong City to continue improving the quality of services provided to its citizens it needs to generate the required revenue. In these tough economic times strong revenue management is fundamental to the financial sustainability of every municipality. The reality is that we are faced with development backlogs and poverty.

The expenditure required to address these challenges will inevitably always exceed available funding; hence difficult choices have to be made in relation to tariff increases and balancing expenditures against realistically anticipated revenues.

Expenditure has been trimmed in areas that will not adversely affect service delivery, or where programmes are underperforming.

The following table is a high level summary of the 2018/19 budget and MTREF (classified per main type of operating expenditure):

Table 5 Summary of operating expenditure by standard classification item

GT484 Merafong City - Supporting Table SA18 Transfers and grant receipts								
Description	2014/15	2015/16	2016/17	Current Year 2017/18		2018/19 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Expenditure By Type								
Employee related costs	308,899	292,530	287,577	355,853	347,007	380,433	403,259	427,454
Remuneration of councillors	18,762	19,795	19,884	22,050	22,039	23,361	24,763	26,248
Debt impairment	250,726	227,206	272,961	243,350	243,350	241,760	256,535	272,722
Depreciation & asset impairment	48,548	43,175	36,599	28,361	28,361	28,361	28,361	28,361
Finance charges	54,338	9,969	23,440	12,400	22,600	22,600	22,600	22,600
Bulk purchases	341,599	382,314	392,172	442,000	426,501	473,253	501,648	531,747
Other materials	1,343	1,133	1,277	1,247	895	913	968	1,026
Contracted services	231,910	121,600	198,398	194,425	182,661	155,093	141,648	152,576
Transfers and subsidies	3,066	1,357	1,774	1,588	1,436	1,465	1,553	1,646
Other expenditure	62,215	47,664	52,651	59,258	56,628	59,950	63,065	66,237
Loss on disposal of PPE								
Total Expenditure	1,321,406	1,146,744	1,286,735	1,360,533	1,331,479	1,387,189	1,444,398	1,530,616
Surplus/(Deficit)	(246,606)	(121,765)	(113,028)	(119,985)	(178,969)	(183,810)	(187,257)	(191,896)
(monetary allocations) (National / Provincial and District)	164,661	141,697	105,870	129,130	221,268	202,838	120,475	119,699
Transfers and subsidies - capital (in-kind - all)								
Surplus/(Deficit) after capital transfers & contributions	(81,945)	19,932	(7,158)	9,145	42,299	19,028	(66,782)	(72,197)
Taxation								
Surplus/(Deficit) after taxation	(81,945)	19,932	(7,158)	9,145	42,299	19,028	(66,782)	(72,197)
Attributable to minorities								
Surplus/(Deficit) attributable to municipality	(81,945)	19,932	(7,158)	9,145	42,299	19,028	(66,782)	(72,197)
Share of surplus/ (deficit) of associate								
Surplus/ (Deficit) for the year	(81,945)	19,932	(7,158)	9,145	42,299	19,028	(66,782)	(72,197)

2.1 Employee Related Costs

The *Salary and Wage Collective Agreement* for the period 01 July 2015 to 31 June 2018 has come to an end. The process is under consultation; therefore, in the absence of other information from the South African Local Government Bargaining Council communication will be provided at a later stage.

It's recommended that an increase of 6% be provided for. Council had already received a notification from the medical aids that they will increase its tariffs by 10%.

Due to the amendments to the mines valuations and council's poor financial situation only critical positions can be filled in 2018/2019.

Employee Related Costs				
	<u>2014/2015</u>	<u>2015/2016</u>	<u>2016/2017</u>	<u>2017/2018</u> Projected
Employee Related Costs	308,899,216	292,529,870	287,577,136	262,036,005

As can be seen from the table above the impact on employee related costs as a result of councils cash flow constrains.

2.2 Councillors Remuneration

The cost associated with the remuneration of councillors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The most recent proclamation in this regard has been taken into account in compiling the municipality's budget.

2.3 Bulk Purchases: Electricity

The National Energy Regulator of South Africa (NERSA) published their "Municipal Tariff Guideline Increase, Benchmarks and Proposed Timelines for Municipal Tariff Approval Process for the 2018/19 Financial Year" on 28 February 2018.

This is based on a bulk tariff increase for municipalities of 7.32 per cent.

2.4 Bulk Purchases: Water

Rand Water had advised council that they will increase their water tariffs to municipalities by 12.2% from the 1 July 2018.

2.5 Debt Impairment

The provision of debt impairment was determined based on an annual collection rate of 75.00 per cent and the Debt Write-off Policy of Council. For the 2018/19 financial year this amount equates to R241.8 million.

The large tariff increases, and the change of the local economic conditions such as the down turn in the property market, trends in household incomes and unemployment were counterproductive, resulting in higher levels of non-payment and increased bad debts.

Council's average payment levels for the past six months were 68.01%. Council budgeted for a payment level of 75.00% for the 2017/2018 financial year.

Council had conducted an outreach program to promote the payment of services. Council had commenced with serious credit control actions in all areas of Merafong.

A revenue enhancement strategy was developed and the roll out plan has commenced. A no tolerance approach in terms of council's credit control policy will be enforced on non-indigent defaulters.

Defaulters of assessment rates by property owners and farmers must be addressed.

The non-payment of services by consumers is a serious situation. The effect of this is that council is not in a position to service its supplier's accounts on time. In addition council will have to increase the provision for bad debt.

Blyvooruitzicht was placed under liquidation and when the Municipality discontinued the provision of water in mine, the community of Blyvooruitzicht and the Human Rights lawyers obtained an interdict to ensure a continuous provision of water. Municipal Council has approached the court to set aside the interdict. The court had ruled that Council can reduce the water by 40% and the residents must pay council R150 per month.

It's anticipated that the average payment level for 2018/2019 will be 75%

2.6 Depreciation

Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy. Depreciation is widely considered a proxy for the measurement of the rate asset consumption. Budget appropriations in this regard total R106 million for the 2018/19 financial year.

Note that the implementation of GRAP 17 accounting standard has meant bringing a range of assets previously not included in the assets register onto the register. This has resulted in a significant increase in depreciation relative to previous years.

2.7 Finance Charges

As previously noted, the municipality has reached its prudential limits for borrowing – hence the planned borrowing to finance the capital budget does not result in an increase in finance charges as a percentage of operational expenditure increasing.

A serious concern is that presently interest is being paid on the Eskom and Rand Water overdue accounts. Although council had entered into repayment agreements they still charge council interest on the outstanding accounts.

2.8 Contracted Services

It's a fact that in the past years the management of the vehicles was not effective. Council cannot continue that fleet vehicles are abused and not controlled. A proper needs analysis will have to be performed before any new vehicles can be issued.

Council had reviewed all contracts and where it was possible the contracts were scaled down in line with council's cash flow situation.

A value for money system must be implemented by Supply chain. Council cannot continue to pay exorbitant prices even if it is to support local suppliers

Contracts with service providers need to be looked at and reviewed where possible.

2.9 General Expenses

Council experience serious cash flow constrains and therefore General Expenses will have to be curtailed.

It's recommended that general expenses must increase by 2%. This includes the increase in fuel costs and rising inflation. This will result that we will have to do a zero base budget.

Entertainment, Travel and Subsistence, Attendance of Conferences, Food at meetings cannot be provided for in the 2018/2019 budget.

Herewith a table to illustrate the successes council achieved with the implementation of the cost cutting measures.

COST CUTTING MEASURES				
	<u>2013/2014</u>	<u>2014/2015</u>	<u>2015/2016</u>	<u>2016/2017</u>
Attendance and Conference Fees	359,701	184,045	6,315	5,660
Entertainment	688,210	345,071	155,913	14,406
Travel and Subsistence	1,776,114	892,212	120,183	171,489
Grass Cutting	12,450,269	11,424,840	5,757,944	0
Security Services	25,307,704	23,677,941	14,084,243	12,548,593
	<u>40,581,998</u>	<u>36,524,109</u>	<u>20,124,598</u>	<u>12,740,148</u>

The management of the fleet and usage of vehicles will have to be properly managed.

The management of safety clothes will have to be looked at. A policy must be developed to prevent the demand for different types of clothes by different departments.

A value for money system will be implemented by Supply chain. Council cannot continue to pay exorbitant prices even if it is to support local suppliers.

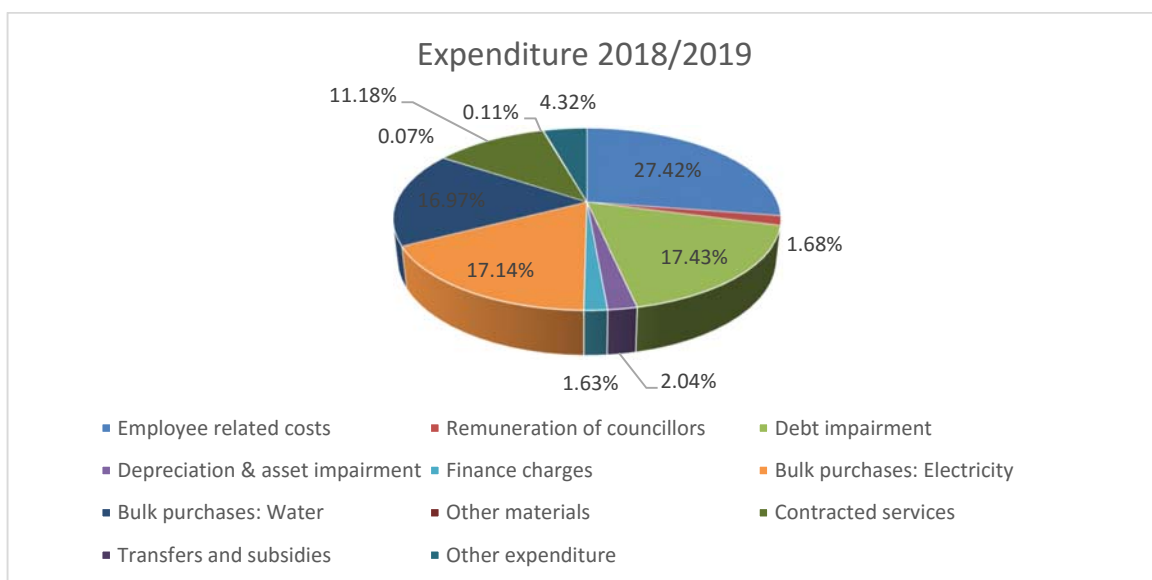


Figure 1 Main Operational expenditure categories for the 2018/19 financial year

2.10 Repairs and Maintenance

The classification of Repairs and Maintenance in MsCOA will fall away. The expenditure will be allocated as follows:

- Suppliers and contractors expenditure will be recognized as Contracted services.
- Material and stock used by our own staff will be classified as Material.

Although there will be a reclassification councils must still report on Repairs and Maintenance.

It was planned that repairs and maintenance must increase by 20% per year to ensure that council will extend the life span of the existing assets and not needs to replace them.

Repairs and Maintenance is a high focus area in the country and municipality. The serious situation is affecting service delivery and assets needs to be maintained in order to improve their lifespan.

Due to the serious cash flow situation of council, council will not be in a position the increase the budget by 20%.

The budget for Repairs and Maintenance will increase by 10% based on the approved budget for 2017/2018.

Repairs and Maintenance				
	<u>2013/2014</u>	<u>2014/2015</u>	<u>2015/2016</u>	<u>2016/2017</u>
Repairs and Maintenance	78,637,216	33,600,459	11,839,876	16,741,297

The table above once again illustrate the impact that councils cash flow constrains have on councils ability to perform maintenance on councils assets.

Table 6 Repairs and Maintenance per Asset Class

GT484 Merafong City - Table A9 Asset Management										
Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
EXPENDITURE OTHER ITEMS										
Depreciation	7	126,413	121,040	114,464	106,226	106,226	106,226	106,226	106,226	106,226
Repairs and Maintenance by Asset Class	3	33,600	11,760	16,751	37,064	34,096	34,096	39,812	43,793	48,173
Roads Infrastructure		16,622	1,739	2,167	2,200	2,200	2,200	2,569	2,826	3,108
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		2,258	3,534	4,055	7,094	6,927	6,927	8,088	8,897	9,787
Water Supply Infrastructure		2,715	3,007	4,322	9,716	9,713	9,713	11,341	12,476	13,723
Sanitation Infrastructure		6,140	2,602	2,891	11,000	11,000	11,000	12,844	14,129	15,542
Solid Waste Infrastructure		1,096	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		28,831	10,882	13,436	30,010	29,840	29,840	34,843	38,327	42,160
Community Facilities		3,933	877	827	3,544	1,956	1,956	2,283	2,512	2,763
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
Community Assets		3,933	877	827	3,544	1,956	1,956	2,283	2,512	2,763
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		836	-	2,465	2,710	1,800	1,800	2,102	2,312	2,543
Housing		-	-	-	-	-	-	-	-	-
Other Assets		836	-	2,465	2,710	1,800	1,800	2,102	2,312	2,543
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	23	-	-	-	-	-	-
Machinery and Equipment		-	-	-	800	500	500	584	642	706
Transport Assets		-	-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-	-
Zoo's, marine and non-biological animals		-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURE OTHER ITEMS		160,013	132,799	131,216	143,290	140,322	140,322	146,038	150,019	154,399
Renewal and upgrading of Existing Assets as % of total capex <i>Renewal and upgrading of existing assets as % of capex</i>		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
R&M as a % of PPE		1.1%	0.4%	0.6%	1.2%	1.1%	1.1%	1.3%	1.4%	1.5%
Renewal and upgrading and R&M as a % of PPE		1.0%	0.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	2.0%

Free Basic Services: Basic Social Services Package

The social package assists households that are poor or face other circumstances that limit their ability to pay for services. To receive these free services the households are required to register in terms of the Councils Indigent Policy. The target is to register 22 000 or more indigent households during the 2018/19 financial year, a process reviewed annually. Detail relating to free services, cost of free basis services, revenue lost owing to free basic services as well as basic service delivery measurement is contained in Table 24 MBRR A10 (Basic Service Delivery Measurement)

The cost of the social package of the registered indigent households is largely financed by national government through the local government equitable share received in terms of the annual Division of Revenue Act.

3 CAPITAL EXPENDITURE

Table 7 - 2016/17 Medium-term capital budget per vote

GT484 Merafong City - Table A9 Asset Management

Description	2014/15	2015/16	2016/17	Current Year 2017/18		2018/19 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand								
CAPITAL EXPENDITURE								
Total New Assets	200,042	152,068	113,958	124,299	217,897	235,432	120,650	119,719
<i>Roads Infrastructure</i>	152,902	107,851	24,451	16,034	39,431	29,938	9,491	27,780
<i>Storm water Infrastructure</i>	-	-	-	-	-	-	-	-
<i>Electrical Infrastructure</i>	17,966	21,883	27,759	12,500	42,500	16,000	27,670	25,955
<i>Water Supply Infrastructure</i>	7,735	8,269	27,155	56,282	92,505	148,980	25,000	25,540
<i>Sanitation Infrastructure</i>	1,274	-	8,622	2,934	3,203	16,006	20,000	-
<i>Solid Waste Infrastructure</i>	1,099	-	6,147	8,005	6,620	1,100	35,000	36,925
<i>Rail Infrastructure</i>	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>	-	-	-	-	-	-	-	-
<i>Information and Communication</i>	-	-	-	-	-	-	-	-
Infrastructure	180,976	138,002	94,134	95,755	184,260	212,025	117,161	116,200
Community Facilities	8,899	6,110	15,017	27,084	32,178	19,947	-	-
Sport and Recreation Facilities	2,246	-	-	-	-	-	-	-
Community Assets	11,146	6,110	15,017	27,084	32,178	19,947	-	-
Heritage Assets	-	-	-	-	-	-	-	-
Revenue Generating	-	-	-	-	-	-	-	-
Non-revenue Generating	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-
Operational Buildings	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-
Other Assets	-	-	-	-	-	-	-	-
Biological or Cultivated Assets	-	-	-	-	-	-	-	-
Servitudes	-	-	-	-	-	-	-	-
Licences and Rights	2,192	555	-	-	-	-	-	-
Intangible Assets	2,192	555	-	-	-	-	-	-
Computer Equipment	-	-	-	-	-	-	-	-
Furniture and Office Equipment	5,729	7,401	4,807	1,460	1,460	1,460	1,489	1,519
Machinery and Equipment	-	-	-	-	-	2,000	2,000	2,000
Transport Assets	-	-	-	-	-	-	-	-
Libraries	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological	-	-	-	-	-	-	-	-
Total Renewal of Existing Assets	-	-	-	-	-	20,000	-	-
<i>Roads Infrastructure</i>	-	-	-	-	-	-	-	-
<i>Storm water Infrastructure</i>	-	-	-	-	-	-	-	-
<i>Electrical Infrastructure</i>	-	-	-	-	-	-	-	-
<i>Water Supply Infrastructure</i>	-	-	-	-	-	20,000	-	-
<i>Sanitation Infrastructure</i>	-	-	-	-	-	-	-	-
<i>Solid Waste Infrastructure</i>	-	-	-	-	-	-	-	-
<i>Rail Infrastructure</i>	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>	-	-	-	-	-	-	-	-
<i>Information and Communication</i>	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	20,000	-	-
TOTAL CAPITAL EXPENDITURE - Ass	200,042	152,068	113,958	124,299	217,897	255,432	120,650	119,719

CAPITAL BUDGET 2018/19 TO 2020/21							
Projects				2018-2019	2019-2020	2020-2021	Source of Funding
Roads and Stormwater							
Khutsong Roads and Stormwater				5,700,000		10,500,000	MIG
Kokosi Roads and Stormwater				938,331		5,460,000	MIG
Wedela Ext 3 Roads and Stormwater				6,000,000	4,251,312	6,790,000	MIG
Kokosi Ext 6 Construction of Roads				2,000,000			MIG
Upgrade of Access road to Carletonville Landfill Site					5,239,938		MIG
Access Road to Kokosi new WWTP						5,029,671	MIG
Bridge over rail Khutsong				15,300,000			Human Settlements Development Grant
Electricity							
Street Light Merafong Phase 3					8,470,000	13,155,204	MIG
Khutsong South Electrification Phase 7					8,000,000	12,800,000	Integrated National Electrification Programme (INEP)
Kokosi Ext 99 Electrification				6,000,000	3,200,000		Integrated National Electrification Programme (INEP)
Kokosi Ext 6 Electrification				10,000,000	8,000,000		Integrated National Electrification Programme (INEP)
Waste removal							
Construction of Carletonville Waste Management				16,272,736			MIG
Rehabilitation of Rooipoort Landfill Site				1,100,000			MIG
Public Works							
Nil							
LED							
Informal Trading Area Carletonville Phase 2				3,673,917			MIG
Waste Water							
Welverdiend WWTP (Construction)					35,000,000	36,925,000	Water Services Infrastructure Grant
Sludge Drying Beds - Kokosi & Khutsong WWT				16,006,116	20,000,000		MIG
Sanitation							
Nil							
Water							
Replacement of Khutsong Reservoir				55,000,000			Water Services Infrastructure Grant
Khutsong North Water and Sewer Reticulation				10,000,000	25,000,000	25,540,425	MIG
Internal Services (Khutsong Ext 5)				52,380,436			Human Settlements Development Grant
Kokosi Ext 7 Bulk supply				21,336,000			Human Settlements Development Grant
Pre-Paid meters				10,264,000			Human Settlements Development Grant
Adatta Pipeline				20,000,000			Water Supply Infrastructure Grant
Furniture, Fittings and equipment				3,460,000	3,489,200	3,518,984	Capital out of Revenue
				255,431,536	120,650,450	119,719,284	

For 2018/19 an amount of R255.4 Million has been appropriated for the development of infrastructure which represents 99 per cent of the total capital budget.

Table 8 Capital Transfers and Grant Receipts

GT484 Merafong City - Supporting Table SA18 Transfers and grant receipts								2018/19 Medium Term Revenue & Expenditure Framework		
Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast			
Capital Transfers and Grants										
National Government:		67,929	70,769	131,585	97,428	95,428	95,428	135,938	120,475	119,699
Municipal Infrastructure Grant		57,929	56,008	52,519	67,428	65,428	65,428	64,938	66,275	69,974
National Electrification Programme		10,000	10,000	15,000	10,000	10,000	10,000	16,000	19,200	12,800
Water Services Infrastructure Grant				–	20,000	20,000	20,000	55,000	35,000	36,925
Department of Water and Sanitation				8,000						
Energy Efficiency and Demand Side Management				–						
Disaster Grant				36,067						
Municipal Water Infrastructure grant			4,761	20,000						
Provincial Government:		39,727	68,796	26,282	26,282	74,782	74,782	66,900	–	–
Human Settlement Grant		39,727	63,896	26,282	26,282	74,782	74,782	46,900		
Dept Water and Sanitation			4,900					20,000		
District Municipality:		–	–	–	–	–	–	–	–	–
HIV Programme										
Other grant providers:		–	–	–	–	–	–	–	–	–
[insert description]										
Total Capital Transfers	5	107,656	139,566	157,867	123,710	170,210	170,210	202,838	120,475	119,699
TOTAL RECEIPTS OF TRANSFERS		384,521	342,995	448,709	372,249	409,792	409,792	430,237	343,468	362,612

As can be seen from the table above the Municipal Infrastructure Grant has decreased over the past five years. It's for the first year that there is an increase in the Municipal Infrastructure Grant.

Local government grants and additional allocations

Since the 2017 Medium Term Budget Policy Statement (MTBPS) reprioritisation and reductions undertaken have affected planned spending for 2018/19. Local government direct and indirect transfers absorb 18.8 per cent of the reductions. A total of R13.9 billion has been cut from direct local government conditional grant allocations for the Medium Term Expenditure Framework (MTEF) period ahead since the 2017 MTBPS was tabled. Indirect grants to local government have been reduced by an additional R2.2 billion.

The reductions did not affect all conditional grants, and not all grants were reduced by the same percentage. The infrastructure conditional grants, particularly the larger ones, were mainly affected as this was considered the most practical approach. The overall impact of reducing this funding affects capital programmes; therefore local government's share of the reductions is higher than their share of the division of revenue, given that municipalities receive a number of infrastructure grants. The average reductions over the medium term are 3.5 per cent of local government allocations.

Conditional grants

The most substantial reduction has been applied to the largest grant – the *municipal infrastructure grant*. However, the structure of the formula used to allocate this grant reduces the impact of reductions on smaller municipalities. Project-based grants, such as those in the electricity and water sectors, have identified projects that will be postponed as a result of the adjustments. These changes do not affect any water augmentation projects in drought-affected areas.

Municipal Infrastructure Grant which had decreased for the past five years will for the first time increase in the 2017/18 financial year and with the reduction of grants by National Treasury are once again being reduced.

4 Annual Budget Tables - Parent Municipality

The following 20 pages present the ten main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2018/19 budget and MTREF as approved by the Council. Each table is accompanied by *explanatory notes* on the facing page.

Table 9 MBRR Table A1 - Budget Summary

GT484 Merafong City - Table A1 Budget Summary

Description	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousands										
Financial Performance										
Property rates	142,591	150,504	161,560	176,768	170,883	170,883	–	185,386	196,509	208,299
Service charges	527,333	576,109	597,388	703,724	609,046	609,046	–	655,291	694,609	736,285
Investment revenue	8,194	5,602	7,318	2,786	16,120	16,120	–	6,500	6,500	6,500
Transfers recognised - operational	324,708	205,367	278,087	248,539	239,910	239,910	–	227,399	222,993	242,913
Other own revenue	71,973	87,397	129,354	108,731	116,551	116,551	–	128,803	136,531	144,723
Total Revenue (excluding capital transfers and contributions)	1,074,800	1,024,979	1,173,706	1,240,549	1,152,510	1,152,510	–	1,203,379	1,257,141	1,338,720
Employee costs	308,899	292,530	287,577	355,853	347,007	347,007	–	380,433	403,259	427,454
Remuneration of councillors	18,762	19,795	19,884	22,050	22,039	22,039	–	23,361	24,763	26,248
Depreciation & asset impairment	48,548	43,175	36,599	28,361	28,361	28,361	–	28,361	28,361	28,361
Finance charges	54,338	9,969	23,440	12,400	22,600	22,600	–	22,600	22,600	22,600
Materials and bulk purchases	342,942	383,447	393,449	443,248	427,397	427,397	–	474,165	502,615	532,772
Transfers and grants	3,066	1,357	1,774	1,588	1,436	1,436	–	1,465	1,553	1,646
Other expenditure	544,852	396,470	524,010	497,033	482,639	482,639	–	456,803	461,248	491,534
Total Expenditure	1,321,406	1,146,744	1,286,735	1,360,533	1,331,479	1,331,479	–	1,387,189	1,444,398	1,530,616
Surplus/(Deficit)	(246,606)	(121,765)	(113,028)	(119,985)	(178,969)	(178,969)	–	(183,810)	(187,257)	(191,896)
Transfers and subsidies - capital (monetary allocations)	164,661	141,697	105,870	129,130	221,268	221,268	–	202,838	120,475	119,699
Contributions recognised - capital & contributed assets	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	(81,945)	19,932	(7,158)	9,145	42,299	42,299	–	19,028	(66,782)	(72,197)
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	(81,945)	19,932	(7,158)	9,145	42,299	42,299	–	19,028	(66,782)	(72,197)
Capital expenditure & funds sources										
Capital expenditure	200,042	152,068	113,958	124,299	217,897	217,897	–	255,432	120,650	119,719
Transfers recognised - capital	164,496	141,697	92,869	120,339	213,937	213,937	–	251,972	117,161	116,200
Public contributions & donations	–	–	–	–	–	–	–	–	–	–
Borrowing	23,389	10,051	12,838	2,500	2,500	2,500	–	–	–	–
Internally generated funds	12,158	320	8,252	1,460	1,460	1,460	–	3,460	3,489	3,519
Total sources of capital funds	200,042	152,068	113,958	124,299	217,897	217,897	–	255,432	120,650	119,719
Financial position										
Total current assets	355,701	333,818	468,612	301,151	301,151	301,151	–	302,275	302,275	302,275
Total non current assets	2,996,926	3,029,977	3,022,715	2,989,658	3,149,795	3,149,795	–	3,283,592	3,298,017	3,311,510
Total current liabilities	400,710	422,186	642,263	387,605	485,498	485,498	–	594,328	683,694	777,222
Total non current liabilities	250,647	218,744	211,223	189,925	189,925	189,925	–	196,988	188,828	180,990
Community wealth/Equity	2,701,270	2,722,865	2,637,842	2,713,279	2,775,524	2,775,524	–	2,794,552	2,727,770	2,655,573
Cash flows										
Net cash from (used) operating	71,033	126,292	231,193	32,087	63,440	63,440	–	55,729	(29,312)	(33,385)
Net cash from (used) investing	(200,041)	(142,102)	(103,987)	(124,299)	(217,897)	(217,897)	–	(255,432)	(120,650)	(119,719)
Net cash from (used) financing	11,010	14,651	(5,552)	(4,888)	(4,888)	(4,888)	–	(4,888)	(4,888)	(4,888)
Cash/cash equivalents at the year end	85,948	84,789	206,444	(353,698)	(415,943)	(415,943)	–	(620,533)	(775,383)	(933,375)
Cash backing/surplus reconciliation										
Cash and investments available	97,219	88,960	206,444	–	–	–	–	–	–	–
Application of cash and investments	90,254	163,311	379,822	95,656	200,215	200,215	–	297,119	383,498	474,038
Balance - surplus (shortfall)	6,965	(74,351)	(173,378)	(95,656)	(200,215)	(200,215)	–	(297,119)	(383,498)	(474,038)
Asset management										
Asset register summary (WDV)	2,985,455	3,025,805	3,022,715	2,989,658	3,149,795	3,149,795	–	3,283,592	3,298,017	3,311,510
Depreciation	126,413	121,040	114,464	106,226	106,226	106,226	–	106,226	106,226	106,226
Renewal of Existing Assets	–	–	–	–	–	–	–	20,000	–	–
Repairs and Maintenance	33,600	11,760	16,751	37,064	34,096	34,096	–	39,812	43,793	48,173
Free services										
Cost of Free Basic Services provided	2,954	6,430	8,049	6,755	6,994	6,994	32,179	32,179	34,110	36,157
Revenue cost of free services provided	211,881	157,742	147,186	241,240	231,795	231,795	164,985	164,985	177,082	190,116
Households below minimum service level										
Water:	–	–	–	669	669	669	669	669	669	669
Sanitation/sewerage:	102	102	102	1,337	1,337	1,337	1,337	1,337	1,337	1,337
Energy:	–	–	–	66,618	66,618	66,618	66,618	66,618	66,618	66,618
Refuse:	59,263	59,263	59,263	16,707	16,707	16,707	16,707	16,707	16,707	16,707

Explanatory notes to MBRR Table A1 - Budget Summary

1. Table A1 is a budget summary and provides a concise overview of the City's budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
2. The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.
3. Financial management reforms emphasises the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:
 - a. The operating surplus/deficit (after Total Expenditure) is positive over the MTREF
 - b. Capital expenditure is balanced by capital funding sources, of which
 - i. Transfers recognised is reflected on the Financial Performance Budget;
 - ii. Borrowing is incorporated in the net cash from financing on the Cash Flow Budget
 - iii. Internally generated funds are financed from a combination of the current operating surplus and accumulated cash-backed surpluses from previous years. The amount is incorporated in the Net cash from investing on the Cash Flow Budget. The fact that the municipality's cash flow remains positive, and is improving indicates that the necessary cash resources are available to fund the Capital Budget.
4. Even though the Council is placing great emphasis on securing the financial sustainability of the municipality, this is not being done at the expense of services to the poor. The section of Free Services shows that the amount spent on Free Basic Services and the revenue cost of free services provided by the municipality continues to increase. In addition, the municipality continues to make progress in addressing service delivery backlogs.

Table 10 MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

GT484 Merafong City - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)

Functional Classification Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand	1									
Revenue - Functional										
<i>Governance and administration</i>		406,329	406,124	457,960	433,039	446,841	446,841	338,227	361,159	384,301
Executive and council		4,670	3,311	5,122	2,205	1,555	1,555	1,648	1,747	1,852
Finance and administration		401,659	402,813	452,839	430,834	445,286	445,286	336,579	359,412	382,449
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		139,680	53,379	59,158	126,851	118,044	118,044	68,847	72,928	77,132
Community and social services		8,259	10,782	13,849	16,131	16,264	16,264	16,133	17,051	17,902
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		24,970	25,014	45,309	45,801	46,306	46,306	50,922	53,978	57,216
Housing		106,451	17,584	-	64,919	55,474	55,474	1,792	1,900	2,014
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		173,291	144,884	108,583	131,996	224,581	224,581	226,983	121,692	120,989
Planning and development		173,291	144,884	108,583	131,996	224,581	224,581	205,666	121,692	120,989
Road transport		-	-	-	-	-	-	21,317	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		565,967	603,451	637,210	721,480	629,094	629,094	833,686	887,056	945,129
Energy sources		221,153	254,155	264,665	287,444	253,724	253,724	319,030	339,823	361,792
Water management		237,987	253,144	259,072	315,033	260,155	260,155	355,098	377,835	402,180
Waste water management		33,799	38,685	39,051	52,389	49,797	49,797	67,860	71,544	76,806
Waste management		73,027	57,467	74,422	66,614	65,417	65,417	91,698	97,854	104,351
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	1,285,267	1,207,838	1,262,912	1,413,365	1,418,558	1,418,558	1,467,744	1,442,835	1,527,551
Expenditure - Functional										
<i>Governance and administration</i>		459,094	409,291	472,403	471,552	473,369	473,369	495,215	518,817	542,562
Executive and council		137,276	76,389	77,905	86,807	82,864	82,864	89,633	94,451	100,088
Finance and administration		308,697	329,395	391,551	381,146	386,825	386,825	401,341	419,870	437,709
Internal audit		13,122	3,506	2,947	3,599	3,680	3,680	4,241	4,496	4,765
<i>Community and public safety</i>		218,905	109,617	106,179	195,253	177,551	177,551	126,888	134,520	142,496
Community and social services		37,213	36,877	23,049	36,537	31,432	31,432	34,291	36,299	38,305
Sport and recreation		30,593	23,748	20,242	24,800	22,358	22,358	22,651	24,054	25,546
Public safety		51,985	24,938	58,829	64,129	63,797	63,797	63,333	67,149	71,196
Housing		98,868	23,997	4,048	69,787	59,963	59,963	6,613	7,018	7,450
Health		245	58	11	-	-	-	-	-	-
<i>Economic and environmental services</i>		108,955	88,864	107,528	58,086	57,448	57,448	82,840	63,567	67,527
Planning and development		25,611	19,409	17,342	22,480	21,866	21,866	22,808	22,402	23,753
Road transport		83,344	69,455	90,186	35,606	35,582	35,582	60,033	41,165	43,773
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		658,122	657,999	661,825	757,193	745,756	745,756	821,638	870,578	925,028
Energy sources		223,562	254,684	269,731	334,110	335,082	335,082	357,418	379,187	402,295
Water management		352,396	299,579	298,925	339,019	325,428	325,428	361,003	382,648	406,105
Waste water management		35,483	41,996	31,704	29,277	29,224	29,224	33,515	34,860	38,312
Waste management		46,682	61,741	61,464	54,787	56,022	56,022	69,701	73,883	78,316
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	3	1,445,077	1,265,771	1,347,935	1,482,085	1,454,124	1,454,124	1,526,581	1,587,482	1,677,613
Surplus/(Deficit) for the year		(159,810)	(57,933)	(85,023)	(68,720)	(35,566)	(35,566)	(58,837)	(144,647)	(150,062)

Explanatory notes to MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

- Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into 14 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms of each of these functional areas which enables the National Treasury to compile 'whole of government' reports.

2. Note the Total Revenue on this table includes capital revenues (Transfers recognised – capital) and so does not balance to the operating revenue shown on Table A4.
3. Note that as a general principle the revenues for the Trading Services should exceed their expenditures. The table highlights that this is the case for Electricity, Water and Waste water functions and Waste management function.
4. Other functions that show a deficit between revenue and expenditure are being financed from rates revenues and other revenue sources reflected under the Corporate Services

Table 11 MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

GT484 Merafong City - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Revenue by Vote	1									
Municipal Manager		4,670	3,311	5,122	2,205	1,555	1,555	1,648	1,747	1,852
Finance		398,705	401,111	451,559	305,448	442,241	442,241	333,534	356,745	379,651
Economic Development and Planning		2,467	912	791	898	1,083	1,083	1,148	1,217	1,290
Chief Operating Officer		-	-	-	-	-	-	1,000	500	500
Infrastructure Development		664,175	689,636	669,932	895,745	786,689	786,689	968,175	910,049	960,872
Community Services		106,753	94,007	133,400	140,561	127,887	127,887	158,647	168,770	179,350
Housing		107,237	18,403	1,242	66,223	56,754	56,754	1,315	1,394	1,478
Shared Services		1,259	459	865	2,285	2,350	2,350	2,277	2,414	2,558
0		-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	1,285,267	1,207,838	1,262,912	1,413,365	1,418,558	1,418,558	1,467,744	1,442,835	1,527,551
Expenditure by Vote to be appropriated	1									
Municipal Manager		122,649	62,538	64,388	67,829	63,579	63,579	71,568	75,862	80,414
Finance		183,809	197,886	271,955	246,868	253,579	253,579	263,779	273,447	282,247
Economic Development and Planning		16,138	12,733	12,163	14,140	14,506	14,506	15,417	16,348	17,337
Chief Operating Officer		19,277	9,328	8,605	10,876	13,609	13,609	13,534	13,786	14,583
Infrastructure Development		750,526	718,632	726,762	756,122	748,247	748,247	828,005	853,691	907,360
Community Services		184,524	157,180	185,133	210,058	196,766	196,766	215,946	228,914	242,543
Housing		100,072	25,243	5,796	71,542	61,688	61,688	6,607	7,012	7,443
Shared Services		68,081	82,231	73,132	104,649	102,150	102,150	111,725	118,422	125,689
0		-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	1,445,077	1,265,771	1,347,935	1,482,085	1,454,124	1,454,124	1,526,581	1,587,482	1,677,613
Surplus/(Deficit) for the year	2	(159,810)	(57,933)	(85,023)	(68,720)	(35,566)	(35,566)	(58,837)	(144,647)	(150,062)

Explanatory notes to MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

1. Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organisational structure of the Municipality. This means it is possible to present the operating surplus or deficit of a vote.

Table 12 MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure)

GT484 Merafong City - Table A4 Budgeted Financial Performance (revenue and expenditure)

2017/18 Budgeted Financial Performance (Revenue and Expenditure)								2018/19 Medium Term Revenue & Expenditure Framework		
Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome		
Revenue By Source										
Property rates	2	142,591	150,504	161,560	176,768	170,883	170,883	–	185,386	196,509
Service charges - electricity revenue	2	215,672	242,703	257,857	295,220	258,085	258,085	–	273,707	290,129
Service charges - water revenue	2	236,119	252,419	256,785	312,717	258,632	258,632	–	294,017	311,658
Service charges - sanitation revenue	2	25,735	28,798	27,843	31,651	30,574	30,574	–	29,090	30,836
Service charges - refuse revenue	2	49,807	52,189	54,903	64,137	61,755	61,755	–	58,477	61,985
Service charges - other										
Rental of facilities and equipment		1,162	1,266	2,442	1,586	2,207	2,207		2,340	2,480
Interest earned - external investments		8,194	5,602	7,318	2,786	16,120	16,120		6,500	6,500
Interest earned - outstanding debtors		43,477	54,674	73,429	79,690	87,650	87,650		93,004	98,585
Dividends received						–	–			
Fines, penalties and forfeits		17,139	13,525	30,950	5,765	10,222	10,222		10,836	11,486
Licences and permits		8,324	13,054	16,615	14,397	10,417	10,417		16,397	17,381
Agency services						–	–			
Transfers and subsidies		324,708	205,367	278,087	248,539	239,910	239,910		227,399	222,993
Other revenue	2	1,870	4,879	5,917	7,293	6,054	6,054	–	6,226	6,599
Gains on disposal of PPE										
Total Revenue (excluding capital transfers and contributions)		1,074,800	1,024,979	1,173,706	1,240,549	1,152,510	1,152,510	–	1,203,379	1,257,141
Expenditure By Type										
Employee related costs	2	308,899	292,530	287,577	355,853	347,007	347,007	–	380,433	403,259
Remuneration of councillors		18,762	19,795	19,884	22,050	22,039	22,039		23,361	24,763
Debt impairment	3	250,726	227,206	272,961	243,350	243,350	243,350		241,760	256,535
Depreciation & asset impairment	2	48,548	43,175	36,599	28,361	28,361	28,361	–	28,361	28,361
Finance charges		54,338	9,969	23,440	12,400	22,600	22,600		22,600	22,600
Bulk purchases	2	341,599	382,314	392,172	442,000	426,501	426,501	–	473,253	501,648
Other materials	8	1,343	1,133	1,277	1,247	895	895		913	968
Contracted services		231,910	121,600	198,398	194,425	182,661	182,661	–	155,093	141,648
Transfers and subsidies		3,066	1,357	1,774	1,588	1,436	1,436	–	1,465	1,553
Other expenditure	4, 5	62,215	47,664	52,651	59,258	56,628	56,628	–	59,950	63,065
Loss on disposal of PPE										
Total Expenditure		1,321,406	1,146,744	1,286,735	1,360,533	1,331,479	1,331,479	–	1,387,189	1,444,398
Surplus/(Deficit)										
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		164,661	141,697	105,870	129,130	221,268	221,268		202,838	120,475
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	6	–	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (in-kind - all)		(81,945)	19,932	(7,158)	9,145	42,299	42,299	–	19,028	(66,782)
Surplus/(Deficit) after capital transfers & contributions		(81,945)	19,932	(7,158)	9,145	42,299	42,299	–	19,028	(66,782)
Taxation		(81,945)	19,932	(7,158)	9,145	42,299	42,299	–	19,028	(66,782)
Surplus/(Deficit) after taxation		(81,945)	19,932	(7,158)	9,145	42,299	42,299	–	19,028	(66,782)
Attributable to minorities		(81,945)	19,932	(7,158)	9,145	42,299	42,299	–	19,028	(66,782)
Surplus/(Deficit) attributable to municipality	7	(81,945)	19,932	(7,158)	9,145	42,299	42,299	–	19,028	(66,782)
Share of surplus/ (deficit) of associate		(81,945)	19,932	(7,158)	9,145	42,299	42,299	–	19,028	(66,782)
Surplus/(Deficit) for the year		(81,945)	19,932	(7,158)	9,145	42,299	42,299	–	19,028	(66,782)

Explanatory notes to Table A4 - Budgeted Financial Performance (revenue and expenditure)

1. Total operating revenue has increased by 4.41 per cent or R50.9 million for the 2018/19 financial year when compared to the 2018/17 Adjustments Budget. For the two outer years, operational revenue will increase by R53.8 and R81.6 Million respectively, equating to a total

increase in revenue of R186.2 million over the MTREF when compared to the 2017/18 financial year.

2. Total operating expenditure for the 2018/19 financial year has been appropriated at R1,465.1 billion and translates into a budgeted deficit of R261.7 million. When compared to the 2017/18 Adjustments Budget, operational expenditure has increased by R55.7 Million or 3.95 per cent in the 2018/19 budget and increase by R57.2 and Million R86.2 Million for each of the respective outer years of the MTREF. The operating deficit for the two outer years will increase for the two outer years. These deficits will be funded from the accumulated surpluses.
3. The capital budget of R255.4 Million for 2018/19 is 7.13 per cent more when compared to the 2017/18 Adjustment Budget. Note that the Council has reached its prudential borrowing limits and so there is no scope to increase these borrowing levels over the medium-term.
4. The following graph illustrates the major expenditure items per type.

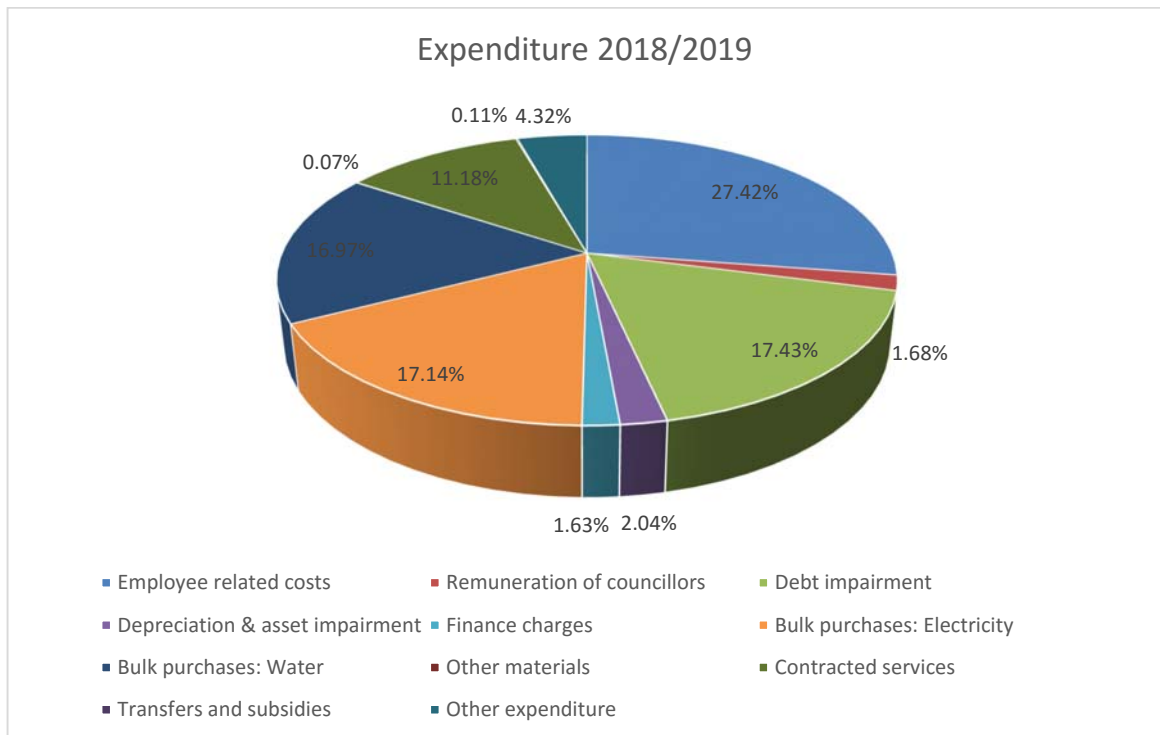


Table 13 MBRR Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

GT484 Merafong City - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding

Vote Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand	1										
Capital expenditure - Vote											
Multi-year expenditure - to be appropriated	2										
Municipal Manager		-	-	-	-	-	-	-	-	-	-
Finance		-	-	-	-	-	-	-	-	-	-
Economic Development and Planning		-	-	-	-	-	-	-	-	-	-
Chief Operating Officer		-	-	-	-	-	-	-	-	-	-
Infrastructure Development		-	-	-	-	-	-	-	-	-	-
Community Services		-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-
Shared Services		-	-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	-	-	-	-	-	-	-	-	-	-
Single-year expenditure - to be appropriated	2										
Municipal Manager		360	-	-	-	-	-	-	-	-	-
Finance		1,652	320	3,387	1,460	1,460	1,460	-	1,460	1,489	1,519
Economic Development and Planning		42	1,789	457	3,674	-	-	-	3,674	-	-
Chief Operating Officer		-	-	-	-	-	-	-	-	-	-
Infrastructure Development		179,877	138,002	102,546	87,749	181,940	181,940	-	248,298	117,161	116,200
Community Services		5,177	11,956	7,568	-	-	-	-	2,000	2,000	2,000
Housing		-	-	-	31,415	34,498	34,498	-	-	-	-
Shared Services		12,933	-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		200,042	152,068	113,958	124,299	217,897	217,897	-	255,432	120,650	119,719
Total Capital Expenditure - Vote		200,042	152,068	113,958	124,299	217,897	217,897	-	255,432	120,650	119,719
Capital Expenditure - Functional											
<i>Governance and administration</i>		14,946	320	17,946	1,460	1,460	1,460	-	1,460	1,489	1,519
Executive and council		360	-	-	-	-	-	-	-	-	-
Finance and administration		14,586	320	17,946	1,460	1,460	1,460	-	1,460	1,489	1,519
Internal audit		-	-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		5,177	8,645	1,420	31,415	38,798	38,798	-	19,373	2,000	2,000
Community and social services		3,561	8,645	1,420	31,415	38,798	38,798	-	17,373	-	-
Sport and recreation		-	-	-	-	-	-	-	2,000	2,000	2,000
Public safety		1,579	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-
Health		37	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		152,944	109,640	24,908	19,707	39,431	39,431	-	33,612	9,491	27,780
Planning and development		42	1,789	457	3,674	-	-	-	3,674	-	-
Road transport		152,902	107,851	24,451	16,034	39,431	39,431	-	29,938	9,491	27,780
Environmental protection		-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>		26,975	33,462	69,683	71,716	138,208	138,208	-	200,987	107,670	88,421
Energy sources		17,966	21,883	27,759	12,500	42,500	42,500	-	16,000	27,670	25,955
Water management		7,735	8,269	27,155	56,282	92,505	92,505	-	168,980	25,000	25,540
Waste water management		1,274	-	8,622	2,934	3,203	3,203	-	16,006	55,000	36,925
Waste management		-	3,311	6,147	-	-	-	-	-	-	-
<i>Other</i>		-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	3	200,042	152,068	113,958	124,299	217,897	217,897	-	255,432	120,650	119,719
Funded by:											
National Government		84,510	63,011	58,623	94,057	112,474	112,474	-	132,691	117,161	116,200
Provincial Government		79,985	74,188	34,246	26,282	101,463	101,463	-	119,280	-	-
District Municipality		4,499	-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	164,496	141,697	92,869	120,339	213,937	213,937	-	251,972	117,161	116,200
Public contributions & donations	5	-	-	-	-	-	-	-	-	-	-
Borrowing	6	23,389	10,051	12,838	2,500	2,500	2,500	-	-	-	-
Internally generated funds		12,158	320	8,252	1,460	1,460	1,460	-	3,460	3,489	3,519
Total Capital Funding	7	200,042	152,068	113,958	124,299	217,897	217,897	-	255,432	120,650	119,719

Explanatory notes to Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

1. Table A5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.
2. The MFMA provides that a municipality may approve multi-year or single-year capital budget appropriations.
3. Single-year capital expenditure has been appropriated at R255.4 million for the 2018/19 financial year and decreases over the MTREF at levels of R120.5 million and to R119.7 million respectively for the two outer years.
4. The capital programme is funded from capital and provincial grants and transfers, public contributions and donations, borrowing and internally generated funds from current year surpluses. For 2018/19, capital transfers totals R251.9 million decreasing to R116.2 million by 2020/21.

Table 14 MBRR Table A6 - Budgeted Financial Position

GT484 Merafong City - Table A6 Budgeted Financial Position

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand											
ASSETS											
Current assets											
Cash		85,948	84,789	206,444							
Call investment deposits	1	-	-	-	-	-	-	-	-	-	-
Consumer debtors	1	157,998	188,357	197,499	242,493	242,493	242,493	-	237,606	237,606	237,606
Other debtors		87,973	29,822	39,490	27,809	27,809	27,809		39,490	39,490	39,490
Current portion of long-term receivables	2										
Inventory	2	23,781	30,849	25,180	30,849	30,849	30,849		25,180	25,180	25,180
Total current assets		355,701	333,818	468,612	301,151	301,151	301,151	-	302,275	302,275	302,275
Non current assets											
Long-term receivables	2										
Investments		11,272	4,171								
Investment property											
Investment in Associate											
Property, plant and equipment	3	2,982,275	3,022,834	3,020,211	2,986,883	3,147,020	3,147,020	-	3,281,285	3,295,709	3,309,202
Agricultural Biological											
Intangible		3,180	2,775	2,308	2,775	2,775	2,775		2,308	2,308	2,308
Other non-current assets		198	197	197							
Total non current assets		2,996,926	3,029,977	3,022,715	2,989,658	3,149,795	3,149,795	-	3,283,592	3,298,017	3,311,510
TOTAL ASSETS		3,352,627	3,363,794	3,491,328	3,290,809	3,450,946	3,450,946	-	3,585,868	3,600,292	3,613,785
LIABILITIES											
Current liabilities											
Bank overdraft	1										
Borrowing	4	11,645	5,464	5,987	5,464	5,464	5,464	-	4,888	4,888	4,888
Consumer deposits		12,485	12,687	13,664	12,687	12,687	12,687		15,620	16,598	17,576
Trade and other payables	4	348,370	374,803	591,370	346,068	443,960	443,960	-	538,559	624,938	715,478
Provisions		28,210	29,232	31,242	23,387	23,387	23,387		35,261	37,271	39,280
Total current liabilities		400,710	422,186	642,263	387,605	485,498	485,498	-	594,328	683,694	777,222
Non current liabilities											
Borrowing		48,049	68,878	64,074	63,990	63,990	63,990	-	54,184	48,197	42,532
Provisions		202,598	149,866	147,149	125,935	125,935	125,935	-	142,804	140,631	138,458
Total non current liabilities		250,647	218,744	211,223	189,925	189,925	189,925	-	196,988	188,828	180,990
TOTAL LIABILITIES		651,357	640,930	853,486	577,530	675,423	675,423	-	791,316	872,523	958,212
NET ASSETS	5	2,701,270	2,722,865	2,637,842	2,713,279	2,775,524	2,775,524	-	2,794,552	2,727,770	2,655,573
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		2,701,270	2,722,865	2,637,842	2,713,279	2,775,524	2,775,524		2,794,552	2,727,770	2,655,573
Reserves	4	-	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	5	2,701,270	2,722,865	2,637,842	2,713,279	2,775,524	2,775,524	-	2,794,552	2,727,770	2,655,573

Explanatory notes to Table A6 - Budgeted Financial Position

1. Table A6 is consistent with international standards of good financial management practice, and improves understandability for councilors and management of the impact of the budget on the statement of financial position (balance sheet).
2. This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as "accounting" Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.

3. The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.
4. Any movement on the Budgeted Financial Performance or the Capital Budget will inevitably impact on the Budgeted Financial Position. As an example, the collection rate assumption will impact on the cash position of the municipality and subsequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate assumption should inform the budget appropriation for debt impairment which in turn would impact on the provision for bad debt. These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as the determination of ratios and financial indicators. In addition the funding compliance assessment is informed directly by forecasting the statement of financial position.

Table 15 MBRR Table A7 - Budgeted Cash Flow Statement

GT484 Merafong City - Table A7 Budgeted Cash Flows

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		147,169	148,078	121,829	132,576	126,691	126,691		139,039	147,382	156,225
Service charges		412,340	424,397	471,649	539,009	450,465	450,465		491,468	520,957	552,214
Other revenue		40,231	26,314	46,570	58,208	62,108	62,108		35,798	37,946	40,223
Government - operating	1	311,562	198,657	322,721	251,910	242,953	242,953		227,399	222,993	242,913
Government - capital	1	72,208	144,369	92,869	120,339	213,937	213,937		202,838	120,475	119,699
Interest		41,620	11,070	12,842	62,553	75,888	75,888		76,253	80,438	84,875
Dividends						-	-		-	-	-
Payments											
Suppliers and employees		(887,158)	(816,623)	(825,466)	(1,120,109)	(1,083,202)	(1,083,202)		(1,093,002)	(1,135,350)	(1,205,288)
Finance charges		(3,423)	(9,969)	(11,820)	(12,400)	(25,400)	(25,400)		(22,600)	(22,600)	(22,600)
Transfers and Grants	1	(63,516)							(1,465)	(1,553)	(1,646)
NET CASH FROM/(USED) OPERATING ACTIVITIES		71,033	126,292	231,193	32,087	63,440	63,440	-	55,729	(29,312)	(33,385)
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE				5,800					-	-	-
Decrease (Increase) in non-current debtors		2							-	-	-
Decrease (increase) other non-current receivables									-	-	-
Decrease (increase) in non-current investments		(574)	7,100	4,171					-	-	-
Payments											
Capital assets		(199,468)	(149,202)	(113,958)	(124,299)	(217,897)	(217,897)		(255,432)	(120,650)	(119,719)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(200,041)	(142,102)	(103,987)	(124,299)	(217,897)	(217,897)	-	(255,432)	(120,650)	(119,719)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans									-	-	-
Borrowing long term/refinancing		21,000	30,300						-	-	-
Increase (decrease) in consumer deposits			3						-	-	-
Payments											
Repayment of borrowing		(9,990)	(15,652)	(5,552)	(4,888)	(4,888)	(4,888)		(4,888)	(4,888)	(4,888)
NET CASH FROM/(USED) FINANCING ACTIVITIES		11,010	14,651	(5,552)	(4,888)	(4,888)	(4,888)	-	(4,888)	(4,888)	(4,888)
NET INCREASE/ (DECREASE) IN CASH HELD											
		(117,998)	(1,159)	121,654	(97,100)	(159,345)	(159,345)	-	(204,590)	(154,850)	(157,992)
Cash/cash equivalents at the year begin:	2	203,946	85,948	84,789	(256,598)	(256,598)	(256,598)		(415,943)	(620,533)	(775,383)
Cash/cash equivalents at the year end:	2	85,948	84,789	206,444	(353,698)	(415,943)	(415,943)	-	(620,533)	(775,383)	(933,375)

Table 16 MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

GT484 Merafong City - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand											
Cash and investments available											
Cash/cash equivalents at the year end	1	85,948	84,789	206,444	(353,698)	(415,943)	(415,943)	-	(620,533)	(775,383)	(933,375)
Other current investments > 90 days		(0)	0	0	353,698	415,943	415,943	-	620,533	775,383	933,375
Non current assets - Investments	1	11,272	4,171	-	-	-	-	-	-	-	-
Cash and investments available:		97,219	88,960	206,444	-	-	-	-	-	-	-
Application of cash and investments											
Unspent conditional transfers		17,835	15,123	49,306	-	-	52,380	-	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2										
Other working capital requirements	3	72,419	148,189	330,516	95,656	200,215	147,834	-	297,119	383,498	474,038
Other provisions											
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5										
Total Application of cash and investments:		90,254	163,311	379,822	95,656	200,215	200,215	-	297,119	383,498	474,038
Surplus(shortfall)		6,965	(74,351)	(173,378)	(95,656)	(200,215)	(200,215)	-	(297,119)	(383,498)	(474,038)

Explanatory notes to Table A7 - Budgeted Cash Flow Statement

1. The budgeted cash flow statement is the first measurement in determining if the budget is funded.
2. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.
3. It can be seen that the cash levels of the Municipality decrease from the 2014/15 financial year to 2018/19 period owing directly to a net decrease in cash.
4. Cash and cash equivalents totals R620.5 Million overdraft as at the end of the 2018/19 financial year and increases to R933.3 Million by 2020/21.

Explanatory notes to Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

1. The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.
2. In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.
3. The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality's budget must be "funded".
4. Non-compliance with section 18 of the MFMA is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded.
5. As can be seen the budget is not funded as the deficit of R297.1 Million in 2018/19 will increase to a deficit of R474.0 million by 2020/21.

Table 17 MBRR Table A9 - Asset Management

GT484 Merafong City - Table A9
Asset Management

Description R thousand	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
CAPITAL EXPENDITURE										
<u>Total New Assets</u>	1	200,042	152,068	113,958	124,299	217,897	217,897	235,432	120,650	119,719
<i>Roads Infrastructure</i>		152,902	107,851	24,451	16,034	39,431	39,431	29,938	9,491	27,780
<i>Storm water Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Electrical Infrastructure</i>		17,966	21,883	27,759	12,500	42,500	42,500	16,000	27,670	25,955
<i>Water Supply Infrastructure</i>		7,735	8,269	27,155	56,282	92,505	92,505	148,980	25,000	25,540
<i>Sanitation Infrastructure</i>		1,274	-	8,622	2,934	3,203	3,203	16,006	20,000	-
<i>Solid Waste Infrastructure</i>		1,099	-	6,147	8,005	6,620	6,620	1,100	35,000	36,925
<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		-	-	-	-	-	-	-	-	-
Infrastructure		180,976	138,002	94,134	95,755	184,260	184,260	212,025	117,161	116,200
Community Facilities		8,899	6,110	15,017	27,084	32,178	32,178	19,947	-	-
Sport and Recreation Facilities		2,246	-	-	-	-	-	-	-	-
Community Assets		11,146	6,110	15,017	27,084	32,178	32,178	19,947	-	-
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Other Assets		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		2,192	555	-	-	-	-	-	-	-
Intangible Assets		2,192	555	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		5,729	7,401	4,807	1,460	1,460	1,460	1,460	1,489	1,519
Machinery and Equipment		-	-	-	-	-	-	2,000	2,000	2,000
Transport Assets		-	-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-	-

Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-
<u>Total Renewal of Existing Assets</u>	2	-	-	-	-	-	20,000	-	-
Roads Infrastructure		-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	20,000	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-
Infrastructure		-	-	-	-	-	20,000	-	-
Community Facilities		-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-
Community Assets		-	-	-	-	-	-	-	-
Heritage Assets		-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-
Other Assets		-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-
<u>Total Upgrading of Existing Assets</u>	6	-	-	-	-	-	-	-	-
Roads Infrastructure		-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-

<i>Water Supply Infrastructure</i>	-	-	-	-	-	-	-	-	-
<i>Sanitation Infrastructure</i>	-	-	-	-	-	-	-	-	-
<i>Solid Waste Infrastructure</i>	-	-	-	-	-	-	-	-	-
<i>Rail Infrastructure</i>	-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>	-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-
Community Facilities Sport and Recreation Facilities	-	-	-	-	-	-	-	-	-
Community Assets	-	-	-	-	-	-	-	-	-
Heritage Assets	-	-	-	-	-	-	-	-	-
Revenue Generating	-	-	-	-	-	-	-	-	-
Non-revenue Generating	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Operational Buildings	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Other Assets Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-
Servitudes	-	-	-	-	-	-	-	-	-
Licences and Rights	-	-	-	-	-	-	-	-	-
Intangible Assets	-	-	-	-	-	-	-	-	-
Computer Equipment Furniture and Office Equipment	-	-	-	-	-	-	-	-	-
Machinery and Equipment	-	-	-	-	-	-	-	-	-
Transport Assets	-	-	-	-	-	-	-	-	-
Libraries Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-
<u>Total Capital Expenditure</u>	4								
<i>Roads Infrastructure</i>	152,902	107,851	24,451	16,034	39,431	39,431	29,938	9,491	27,780
<i>Storm water Infrastructure</i>	-	-	-	-	-	-	-	-	-
<i>Electrical Infrastructure</i>	17,966	21,883	27,759	12,500	42,500	42,500	16,000	27,670	25,955
<i>Water Supply Infrastructure</i>	7,735	8,269	27,155	56,282	92,505	92,505	168,980	25,000	25,540
<i>Sanitation Infrastructure</i>	1,274	-	8,622	2,934	3,203	3,203	16,006	20,000	-
<i>Solid Waste Infrastructure</i>	1,099	-	6,147	8,005	6,620	6,620	1,100	35,000	36,925
<i>Rail Infrastructure</i>	-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>	-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>	-	-	-	-	-	-	-	-	-

Infrastructure		180,976	138,002	94,134	95,755	184,260	184,260	232,025	117,161	116,200
Community Facilities Sport and Recreation		8,899	6,110	15,017	27,084	32,178	32,178	19,947	-	-
Facilities		2,246	-	-	-	-	-	-	-	-
Community Assets		11,146	6,110	15,017	27,084	32,178	32,178	19,947	-	-
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Other Assets		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		2,192	555	-	-	-	-	-	-	-
Intangible Assets		2,192	555	-	-	-	-	-	-	-
Computer Equipment Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
		5,729	7,401	4,807	1,460	1,460	1,460	1,460	1,489	1,519
Machinery and Equipment		-	-	-	-	-	-	2,000	2,000	2,000
Transport Assets		-	-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class		200,042	152,068	113,958	124,299	217,897	217,897	255,432	120,650	119,719
ASSET REGISTER SUMMARY - PPE (WDV)	5									
Roads Infrastructure		1,526,424	1,568,095	1,531,058	1,451,761	1,541,697	1,541,697	1,511,513	1,476,547	1,459,869
Storm water Infrastructure						-	-			
Electrical Infrastructure		366,361	371,303	385,404	388,203	418,203	418,203	416,606	430,627	442,934
Water Supply Infrastructure		275,860	286,267	305,267	349,132	385,355	385,355	539,614	551,045	563,016
Sanitation Infrastructure		264,953	253,608	251,433	239,764	240,033	240,033	242,375	268,986	297,522
Solid Waste Infrastructure										
Rail Infrastructure										
Coastal Infrastructure										
Information and Communication Infrastructure										
Infrastructure		2,433,598	2,479,272	2,473,162	2,428,859	2,585,287	2,585,287	2,710,108	2,727,205	2,763,341
Community Facilities Sport and Recreation		530,588	522,749	526,515	537,015	540,723	540,723	549,018	543,440	517,920
Facilities										
Community Assets		530,588	522,749	526,515	537,015	540,723	540,723	549,018	543,440	517,920
Heritage Assets										
Revenue Generating										

Non-revenue Generating		198	197	197	197	197	197	197	197	197
Investment properties		198	197	197	197	197	197	197	197	197
Operational Buildings										
Housing										
Other Assets		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets										
Servitudes										
Licences and Rights		3,378	2,775	2,308	2,775	2,775	2,775	2,275	1,691	1,049
Intangible Assets		3,378	2,775	2,308	2,775	2,775	2,775	2,275	1,691	1,049
Computer Equipment										
Furniture and Office Equipment		17,693	20,813	20,534	20,813	20,813	20,813	21,994	25,484	29,002
Machinery and Equipment										
Transport Assets										
Libraries										
Zoo's, Marine and Non-biological Animals										
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	2,985,455	3,025,805	3,022,715	2,989,658	3,149,795	3,149,795	3,283,592	3,298,017	3,311,510
EXPENDITURE OTHER ITEMS										
<u>Depreciation</u>	7	126,413	121,040	114,464	106,226	106,226	106,226	106,226	106,226	106,226
<u>Repairs and Maintenance by Asset Class</u>	3	33,600	11,760	16,751	37,064	34,096	34,096	39,812	43,793	48,173
Roads Infrastructure		16,622	1,739	2,167	2,200	2,200	2,200	2,569	2,826	3,108
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		2,258	3,534	4,055	7,094	6,927	6,927	8,088	8,897	9,787
Water Supply Infrastructure		2,715	3,007	4,322	9,716	9,713	9,713	11,341	12,476	13,723
Sanitation Infrastructure		6,140	2,602	2,891	11,000	11,000	11,000	12,844	14,129	15,542
Solid Waste Infrastructure		1,096	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		28,831	10,882	13,436	30,010	29,840	29,840	34,843	38,327	42,160
Community Facilities		3,933	877	827	3,544	1,956	1,956	2,283	2,512	2,763
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
Community Assets		3,933	877	827	3,544	1,956	1,956	2,283	2,512	2,763
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		836	-	2,465	2,710	1,800	1,800	2,102	2,312	2,543
Housing		-	-	-	-	-	-	-	-	-
Other Assets		836	-	2,465	2,710	1,800	1,800	2,102	2,312	2,543

Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-
Servitudes	-	-	-	-	-	-	-	-	-
Licences and Rights	-	-	-	-	-	-	-	-	-
Intangible Assets	-	-	-	-	-	-	-	-	-
Computer Equipment	-	-	-	-	-	-	-	-	-
Furniture and Office Equipment	-	-	-	-	-	-	-	-	-
Machinery and Equipment	-	-	23	800	500	500	584	642	706
Transport Assets	-	-	-	-	-	-	-	-	-
Libraries	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURE OTHER ITEMS	160,013	132,799	131,216	143,290	140,322	140,322	146,038	150,019	154,399
<i>Renewal and upgrading of Existing Assets as % of total capex</i>	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	7.8%	0.0%	0.0%
<i>Renewal and upgrading of Existing Assets as % of deprecn</i>	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	18.8%	0.0%	0.0%
<i>R&M as a % of PPE</i>	1.1%	0.4%	0.6%	1.2%	1.1%	1.1%	1.2%	1.3%	1.5%
<i>Renewal and upgrading and R&M as a % of PPE</i>	1.0%	0.0%	1.0%	1.0%	1.0%	1.0%	2.0%	1.0%	1.0%

Explanatory notes to Table A9 - Asset Management

1. Table A9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.
2. National Treasury has recommended that municipalities should allocate at least 40 per cent of their capital budget to the renewal of existing assets, and allocations to repairs and maintenance should be 8 per cent of PPE. The Municipality does not meet both these recommendations.

Table 18 MBRR Table A10 - Basic Service Delivery Measurement

GT484 Merafong City - Table A10
Basic service delivery
measurement

Description	R e f	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Outcom e	Outcom e	Outcom e	Original Budget	Adjuste d Budget	Full Year Forecas t	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Household service targets	1									
<u>Water:</u>										
Piped water inside dwelling		35,428	35,428	35,428	35,241	35,241	35,241	35,241	35,241	35,241
Piped water inside yard (but not in dwelling)		35,791	35,791	35,791	20,286	20,286	20,286	20,286	20,286	20,286
Using public tap (at least min.service level)	2	25,787	25,787	25,787	7,029	7,029	7,029	7,029	7,029	7,029
Other water supply (at least min.service level)	4	–	–	–	3,393	3,393	3,393	3,393	3,393	3,393
<i>Minimum Service Level and Above sub-total</i>		97,006	97,006	97,006	65,949	65,949	65,949	65,949	65,949	65,949
Using public tap (< min.service level)	3	–	–	–	–	–	–	–	–	–
Other water supply (< min.service level)	4	–	–	–	–	–	–	–	–	–
No water supply		–	–	–	669	669	669	669	669	669
<i>Below Minimum Service Level sub-total</i>		–	–	–	669	669	669	669	669	669
Total number of households	5	97,006	97,006	97,006	66,618	66,618	66,618	66,618	66,618	66,618
<u>Sanitation/sewerage:</u>										
Flush toilet (connected to sewerage)		54,069	54,069	54,069	53,978	53,978	53,978	53,978	53,978	53,978
Flush toilet (with septic tank)		1,300	1,300	1,300	1,391	1,391	1,391	1,391	1,391	1,391
Chemical toilet		–	–	–	424	424	424	424	424	424
Pit toilet (ventilated)		–	–	–	1,524	1,524	1,524	1,524	1,524	1,524
Other toilet provisions (> min.service level)		7,900	7,900	7,900	7,726	7,726	7,726	7,726	7,726	7,726
<i>Minimum Service Level and Above sub-total</i>		63,269	63,269	63,269	65,043	65,043	65,043	65,043	65,043	65,043
Bucket toilet		–	–	–	–	–	–	–	–	–
Other toilet provisions (< min.service level)		102	102	102	673	673	673	673	673	673
No toilet provisions		–	–	–	664	664	664	664	664	664
<i>Below Minimum Service Level sub-total</i>		102	102	102	1,337	1,337	1,337	1,337	1,337	1,337
Total number of households	5	63,371	63,371	63,371	66,380	66,380	66,380	66,380	66,380	66,380
<u>Energy:</u>										
Electricity (at least min.service level)		6,493	6,493	6,493	55,194	55,194	55,194	55,194	55,194	55,194
Electricity - prepaid (min.service level)		14,739	14,739	14,739	–	–	–	–	–	–
<i>Minimum Service Level and Above sub-total</i>		21,232	21,232	21,232	55,194	55,194	55,194	55,194	55,194	55,194
Electricity (< min.service level)		–	–	–	55,194	55,194	55,194	55,194	55,194	55,194
Electricity - prepaid (< min. service level)		–	–	–	216	216	216	216	216	216
Other energy sources		–	–	–	11,208	11,208	11,208	11,208	11,208	11,208
<i>Below Minimum Service Level sub-total</i>		–	–	–	66,618	66,618	66,618	66,618	66,618	66,618

Total number of households	5	21,232	21,232	21,232	121,812	121,812	121,812	121,812	121,812	121,812
<u>Refuse:</u>										
Removed at least once a week		28,893	28,893	28,893	49,616	49,616	49,616	49,616	49,616	49,616
<i>Minimum Service Level and Above sub-total</i>		28,893	28,893	28,893	49,616	49,616	49,616	49,616	49,616	49,616
Removed less frequently than once a week		–	–	–	3,208	3,208	3,208	3,208	3,208	3,208
Using communal refuse dump		11,604	11,604	11,604	4,129	4,129	4,129	4,129	4,129	4,129
Using own refuse dump		47,659	47,659	47,659	6,218	6,218	6,218	6,218	6,218	6,218
Other rubbish disposal		–	–	–	185	185	185	185	185	185
No rubbish disposal		–	–	–	2,967	2,967	2,967	2,967	2,967	2,967
<i>Below Minimum Service Level sub-total</i>		59,263	59,263	59,263	16,707	16,707	16,707	16,707	16,707	16,707
Total number of households	5	88,156	88,156	88,156	66,323	66,323	66,323	66,323	66,323	66,323
<u>Households receiving Free Basic Service</u>	7									
Water (6 kilolitres per household per month)		7,839	9,140	12,542	6,000	6,000	6,000	6,000	6,000	6,000
Sanitation (free minimum level service)		7,839	9,140	12,542	6,000	6,000	6,000	6,000	6,000	6,000
Electricity/other energy (50kwh per household per month)		7,839	9,140	12,542	6,000	6,000	6,000	6,000	6,000	6,000
Refuse (removed at least once a week)		7,839	9,140	12,542	6,000	6,000	6,000	6,000	6,000	6,000
<u>Cost of Free Basic Services provided - Formal Settlements (R'000)</u>	8									
Water (6 kilolitres per indigent household per month)		492	219	358	565	566	566	5,037	5,339	5,660
Sanitation (free sanitation service to indigent households)		594	1,477	1,837	1,686	1,686	1,686	6,178	6,548	6,941
Electricity/other energy (50kwh per indigent household per month)		526	1,644	2,294	1,687	1,687	1,687	8,800	9,328	9,888
Refuse (removed once a week for indigent households)		1,343	3,090	3,559	2,817	3,055	3,055	12,164	12,894	13,668
<u>Cost of Free Basic Services provided - Informal Formal Settlements (R'000)</u>		–	–	–	–	–	–	–	–	–
Total cost of FBS provided		2,954	6,430	8,049	6,755	6,994	6,994	32,179	34,110	36,157
<u>Highest level of free service provided per household</u>										
Property rates (R value threshold)		65,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000
Water (kilolitres per household per month)		6	6	6	6	6	6	6	6	6
Sanitation (kilolitres per household per month)		6	6	6	6	6	6	6	6	6
Sanitation (Rand per household per month)										
Electricity (kwh per household per month)		50	50	50	50	50	50	50	50	50
Refuse (average litres per week)		200	200	200	200	200	200	200	200	200
<u>Revenue cost of subsidised services provided (R'000)</u>	9									
Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)										
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA		29,370	32,336	43,288	40,589	40,589	40,589	48,709	51,875	55,247
Water (in excess of 6 kilolitres per indigent household per month)		44,574	46,739	42,485	72,631	72,631	72,631	48,858	53,744	59,118
Sanitation (in excess of free sanitation service to indigent households)		–	–	–	–	–	–	–	–	–

Electricity/other energy (in excess of 50 kwh per indigent household per month)		44,269	58,766	60,778	63,102	63,102	63,102	67,419	71,464	75,751
Refuse (in excess of one removal a week for indigent households)		-	-	-	-	-	-	-	-	-
Municipal Housing - rental rebates										
Housing - top structure subsidies	6	93,667	19,901	634	64,919	55,474	55,474			
Other										
Total revenue cost of subsidised services provided		211,881	157,742	147,186	241,240	231,795	231,795	164,985	177,082	190,116

Explanatory notes to Table A10 - Basic Service Delivery Measurement

1. Table A10 provides an overview of service delivery levels, including backlogs (below minimum service level), for each of the main services.
2. The budget provides for 22 000 households to be registered as indigent in 2018/19, and therefore entitled to receiving Free Basic Services.
3. In addition to the Free Basic Services, the Municipality also provides households with an amount of R164.9 million in free services in 2018/19, and it increases to R190 million in 2020/21. This 'tax expenditure' needs to be seen within the context of the municipality's overall revenue management strategy – the more the municipality gives away, the less there is available to fund other services.

Supporting Documentation

5.1 Overview of the annual budget process

Section 53 of the MFMA requires the Mayor of the municipality to provide general political guidance in the budget process and the setting of priorities that must guide the preparation of the budget. In addition Chapter 2 of the Municipal Budget and Reporting Regulations states that the Mayor of the municipality must establish a Budget Steering Committee to provide technical assistance to the Mayor in discharging the responsibilities set out in section 53 of the Act.

The Budget Steering Committee consists of the Municipal Manager and senior officials of the municipality meeting under the chairpersonship of the MMC for Finance.

The primary aim of the Budget Steering Committee is to ensure:

- that the process followed to compile the budget complies with legislation and good budget practices;
- that there is proper alignment between the policy and service delivery priorities set out in the City's IDP and the budget, taking into account the need to protect the financial sustainability of municipality;
- that the municipality's revenue and tariff setting strategies ensure that the cash resources needed to deliver services are available; and
- that the various spending priorities of the different municipal departments are properly evaluated and prioritised in the allocation of resources.

5.1.1 Budget Process Overview

The Executive Mayor tabled the Key Deadlines in terms of section 21(1) (b) during August 2017.

Subsequent to the above a budget steering committee was established in terms of Regulation 393. The committee is chaired by the portfolio head of finance.

The needs of the communities, backlogs as identified by the departments, priorities as identified in the Municipal strategic review was the basis of the medium term expenditure framework for 2018/2019 to 2020/2021.

5.1.2 IDP and Service Delivery and Budget Implementation Plan

The Municipality IDP is its principal strategic planning instrument, which directly guides and informs its planning, budget, management and development actions. This framework is rolled out into objectives, key performance indicators and targets for implementation which directly inform the Service Delivery and Budget Implementation Plan. The Process Plan applicable to the first revision cycle included the following key IDP processes and deliverables:

- Registration of community needs;
- Compilation of departmental business plans including key performance indicators and targets;
- Financial planning and budgeting process;
- Public participation process;
- Compilation of the SDBIP, and
- The review of the performance management and monitoring processes.

The IDP has been taken into a business and financial planning process leading up to the 2018/19 MTREF, based on the approved 2017/18 MTREF, Mid-year Review and adjustments budget. The business planning process has subsequently been refined in the light of current economic circumstances and the resulting revenue projections.

With the compilation of the 2018/19 MTREF, each department/function had to review the business planning process, including the setting of priorities and targets after reviewing the mid-year against the 2017/18 Departmental Service Delivery and Budget Implementation Plan. Business planning links back to priority needs and master planning, and essentially informed the detail operating budget appropriations and three-year capital programme.

5.1.3 Financial Modelling and Key Planning Drivers

As part of the compilation of the 2018/19 MTREF, extensive financial modelling was undertaken to ensure affordability and long-term financial sustainability. The following key factors and planning strategies have informed the compilation of the 2018/19 MTREF:

- Municipality growth
- Policy priorities and strategic objectives
- Asset maintenance
- Economic climate and trends (i.e. inflation, Eskom increases, household debt, migration patterns)
- Performance trends
- The approved 2017/18 adjustments budget and performance against the SDBIP
- Cash Flow Management Strategy
- Debtor payment levels
- Loan and investment possibilities
- The need for tariff increases versus the ability of the community to pay for services;
- Improved and sustainable service delivery

In addition to the above, the strategic guidance given in National Treasury's MFMA Circulars 90 and 91 has been taken into consideration in the planning and prioritisation process.

5.2 Overview of alignment of annual budget with IDP

The Constitution mandates local government with the responsibility to exercise local developmental and cooperative governance. The eradication of imbalances in South African society can only be realized through a credible integrated developmental planning process.

Municipalities in South Africa need to utilise integrated development planning as a method to plan future development in their areas and so find the best solutions to achieve sound long-term development goals. A municipal IDP provides a five year strategic programme of action aimed at setting short, medium and long term strategic and budget priorities to create a development platform, which correlates with the term of office of the political incumbents. The plan aligns the resources and the capacity of a municipality to its overall development aims and guides the municipal budget. An IDP is therefore a key instrument which municipalities use to provide vision, leadership and direction to all those that have a role to play in the development of a municipal area. The IDP enables municipalities to make the best use of scarce resources and speed up service delivery.

Integrated developmental planning in the South African context is amongst others, an approach to planning aimed at involving the municipality and the community to jointly find the best solutions towards sustainable development. Furthermore, integrated development planning provides a strategic environment for managing and guiding all planning, development and decision making in the municipality.

It is important that the IDP developed by municipalities correlate with National and Provincial intent. It must aim to co-ordinate the work of local and other spheres of government in a coherent plan to improve the quality of life for all the people living in that area. Applied to the City, issues of national and provincial importance should be reflected in the IDP of the municipality. A clear understanding of such intent is therefore imperative to ensure that the City strategically complies with the key national and provincial priorities.

The aim of this revision cycle was to develop and coordinate a coherent plan to improve the quality of life for all the people living in the area, also reflecting issues of national and provincial importance. One of the key objectives is therefore to ensure that there exists alignment between national and provincial priorities, policies and strategies and the City's response to these requirements.

The national and provincial priorities, policies and strategies of importance include amongst others:

- Green Paper on National Strategic Planning of 2009;
- Government Programme of Action;
- Development Facilitation Act of 1995;
- Provincial Growth and Development Strategy (GGDS);
- National and Provincial spatial development perspectives;
- Relevant sector plans such as transportation, legislation and policy;
- National Key Performance Indicators (NKPis);
- Accelerated and Shared Growth Initiative (ASGISA);
- National 2014 Vision;
- National Spatial Development Perspective (NSDP) and
- The National Priority Outcomes.

The Constitution requires local government to relate its management, budgeting and planning functions to its objectives. This gives a clear indication of the intended purposes of municipal integrated development planning. Legislation stipulates clearly that a municipality must not only

give effect to its IDP, but must also conduct its affairs in a manner which is consistent with its IDP. The following table highlights the IDP's five strategic objectives for the 2017/18 MTREF and further planning refinements that have directly informed the compilation of the budget:

- Basic Service Delivery
- Municipal Institutional Development and Transformation
- Local Economic Development
- Municipal Financial Viability and Management
- Good Governance and Public Participation
- Integrated Spatial Development Framework

In order to ensure integrated and focused service delivery between all spheres of government it was important for the City to align its budget priorities with that of national and provincial government. All spheres of government place a high priority on infrastructure development, economic development and job creation, efficient service delivery, poverty alleviation and building sound institutional arrangements.

Local priorities were identified as part of the IDP review process which is directly aligned to that of the national and provincial priorities.

Table 19 MBRR Table SA4 - Reconciliation between the IDP strategic objectives and budgeted revenue

GT484 Merafong City - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)

G1404 Merafong City - Supporting Table SA4 Reconciliation of IDP Strategic Objectives and Budget (Revenue)												
Strategic Objective	Goal	Goal Code	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand												
Basic Service Delivery		A		754,994	734,251	804,574	995,892	999,991	999,991	928,585	1,015,494	1,073,067
Municipal Institutional Development and Transformation		B		111,910	36,160	17,530	65,236	65,236	65,236	1,800	2,414	2,558
Local Economic Development		C		1	84		11	11	11			
Municipal Financial Viability and Management		D		369,988	392,042	451,559	305,448	305,448	305,448	473,266	356,745	379,651
Good Governance and Public Participation		E		2,221	3,311	5,122	2,205	2,205	2,205	1,431	1,747	1,852
Integrated Spatial Development Framework		F		346	828	791	887	887	887	1,135	1,217	1,290
Allocations to other priorities				2								
Total Revenue (excluding capital transfers and contributions)			1	1,239,460	1,166,676	1,279,577	1,369,679	1,373,778	1,373,778	1,406,217	1,377,616	1,458,419

Table 20 MBRR Table SA5 - Reconciliation between the IDP strategic objectives and budgeted operating expenditure

GT484 Merafong City - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)

Strategic Objective				Goal	Goal Code	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
							Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand															
Basic Service Delivery					A		735,246	867,653	917,692	1,037,722	1,008,667	1,008,667	1,050,558	1,089,617	1,157,345
Municipal Institutional Development and Transformation					B		59,301	91,389	73,132	60,963	60,963	60,963	111,725	118,422	125,689
Local Economic Development					C		5,702	2,595	1,628	2,354	2,354	2,354	2,811	2,984	3,168
Municipal Financial Viability and Management					D		147,299	102,207	219,360	169,003	169,003	169,003	135,110	141,165	146,664
Good Governance and Public Participation					E		351,404	72,762	64,388	78,705	78,705	78,705	71,568	75,862	80,414
Integrated Spatial Development Framework					F		22,453	10,138	10,535	11,786	11,786	11,786	15,417	16,348	17,337
Allocations to other priorities															
Total Expenditure				1			1,321,406	1,146,744	1,286,735	1,360,533	1,331,478	1,331,478	1,387,189	1,444,399	1,530,616

Table 21 MBRR Table SA6 - Reconciliation between the IDP strategic objectives and budgeted capital expenditure

GT484 Merafong City - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)

Strategic Objective	Goal	Goal Code	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand												
Basic Service Delivery		A		189,973	151,514	112,538	122,839	216,437	216,437	253,972	117,190	116,230
Municipal Institutional Development and Transformation		B		3,006								
Local Economic Development		C										
Municipal Financial Viability and Management		D		7,063	555	1,420	1,460	1,460	1,460	1,460	3,460	3,489
Good Governance and Public Participation		E										
Integrated Spatial Development Framework		F		-								
Allocations to other priorities			3									
Total Capital Expenditure			1	200,042	152,068	113,958	124,299	217,897	217,897	255,432	120,650	119,719

5.3 Measurable performance objectives and indicators

Performance Management is a system intended to manage and monitor service delivery progress against the identified strategic objectives and priorities. In accordance with legislative requirements and good business practices as informed by the National Framework for Managing Programme Performance Information, the City has developed and implemented a performance management system of which system is constantly refined as the integrated planning process unfolds. The Municipality targets, monitors, assess and reviews organisational performance which in turn is directly linked to individual employee's performance.

At any given time within government, information from multiple years is being considered; plans and budgets for next year; implementation for the current year; and reporting on last year's performance. Although performance information is reported publicly during the last stage, the performance information process begins when policies are being developed, and continues through each of the planning, budgeting, implementation and reporting stages. The planning, budgeting and reporting cycle can be graphically illustrated as follows:

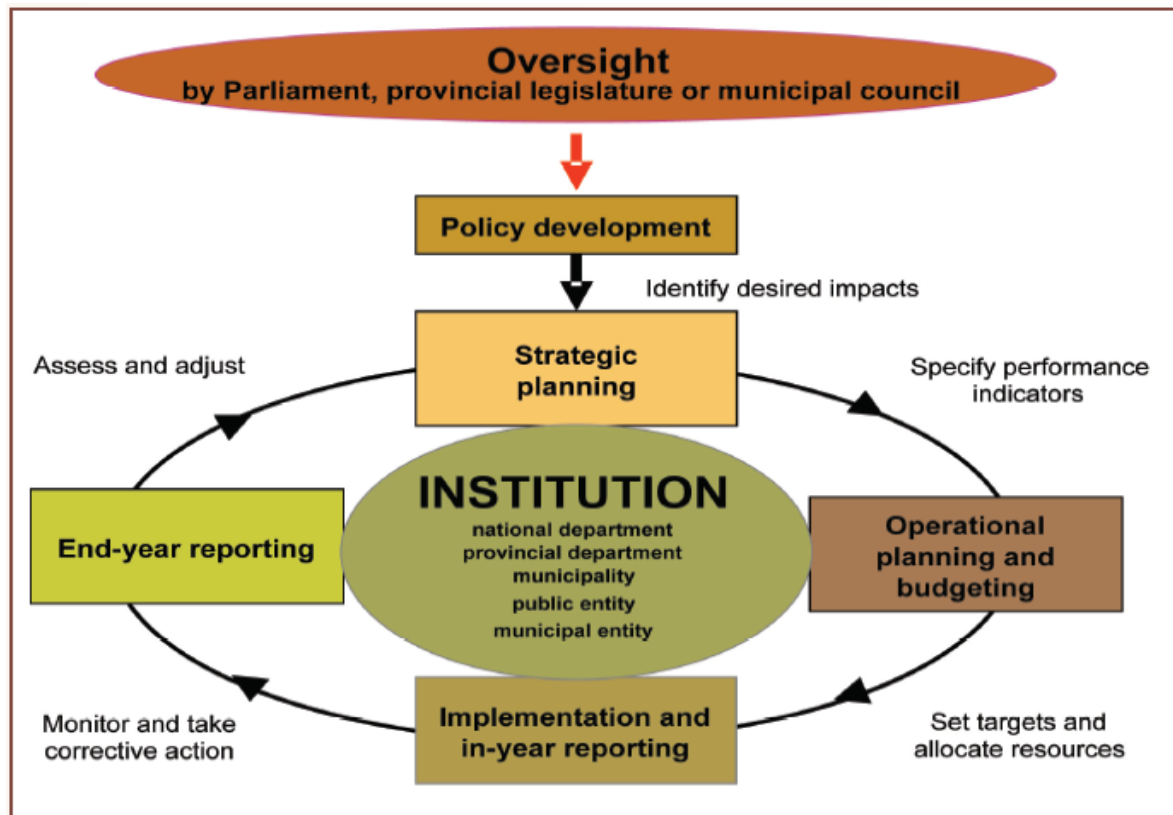


Figure 4 Planning, budgeting and reporting cycle

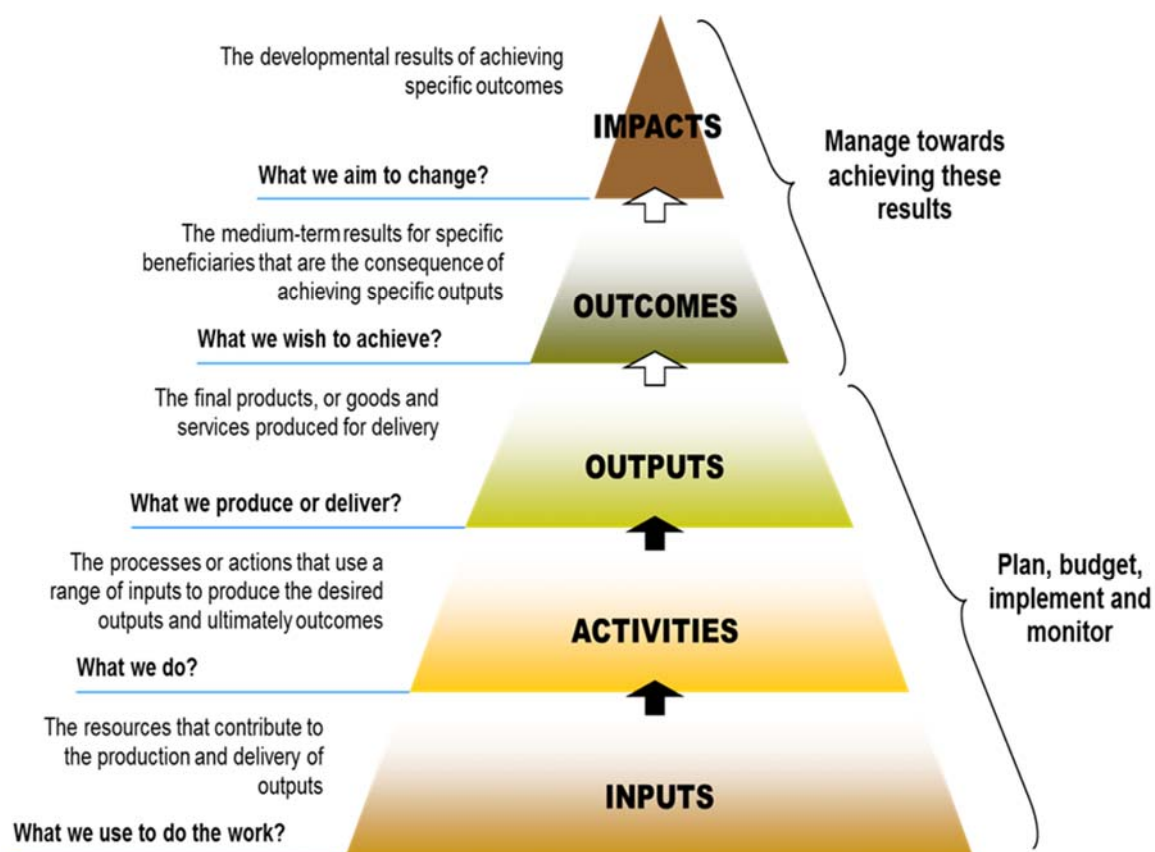
The performance of the City relates directly to the extent to which it has achieved success in realising its goals and objectives, complied with legislative requirements and meeting stakeholder expectations. The City therefore has adopted one integrated performance management system which encompasses:

- Planning (setting goals, objectives, targets and benchmarks);
- Monitoring (regular monitoring and checking on the progress against plan);
- Measurement (indicators of success);
- Review (identifying areas requiring change and improvement);

- Reporting (what information, to whom, from whom, how often and for what purpose); and
- Improvement (making changes where necessary).

The performance information concepts used by the City in its integrated performance management system are aligned to the **Framework of Managing Programme Performance Information** issued by the National Treasury:

Figure 5 Definition of performance information concepts



The following table sets out the municipalities main performance objectives and benchmarks for the 2018/19 MTREF.

Table 22 MBRR Table SA8 - Performance indicators and benchmarks

GT484 Merafong City - Supporting Table SA8 Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<u>Borrowing Management</u>											
Credit Rating											
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	4.9%	2.2%	2.3%	1.3%	2.1%	2.1%	0.0%	2.0%	1.9%	1.8%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	8.6%	3.1%	3.2%	1.7%	3.0%	3.0%	0.0%	2.8%	2.7%	2.5%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	59.1%	292.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<u>Safety of Capital</u>											
Gearing	Long Term Borrowing/ Funds & Reserves	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<u>Liquidity</u>											
Current Ratio	Current assets/current liabilities	0.9	0.8	0.7	0.8	0.6	0.6	-	0.5	0.4	0.4
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	0.9	0.8	0.7	0.8	0.6	0.6	-	0.5	0.4	0.4
Liquidity Ratio	Monetary Assets/Current Liabilities	0.2	0.2	0.3	-	-	-	-	-	-	-
<u>Revenue Management</u>											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing	83.5%	83.5%	78.8%	78.2%	76.3%	74.0%	74.0%	0.0%	75.0%	75.0%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		83.5%	78.8%	78.2%	76.3%	74.0%	74.0%	0.0%	75.0%	75.0%	75.0%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	22.9%	21.3%	20.2%	21.8%	23.5%	23.5%	0.0%	23.0%	22.0%	20.7%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old										
<u>Creditors Management</u>											
Creditors System Efficiency	% of Creditors Paid Within Terms (within 'MFMA' s 65(e))										
Creditors to Cash and Investments		315.6%	364.1%	242.8%	-83.4%	-94.5%	-81.9%	0.0%	-78.6%	-74.0%	-71.2%
<u>Other Indicators</u>											
Electricity Distribution Losses (2)	Total Volume Losses (kW)										
	Total Cost of Losses (Rand '000)	44,269	58,766	60,778	63,102	63,102	63,102		67,419	71,464	75,751
	% Volume (units purchased and generated less units sold)/units purchased and generated										
Water Distribution Losses (2)	Total Volume Losses (kl)										
	Total Cost of Losses (Rand '000)	44574184	46738845	42485098	72630587	72630587	72630587		48857862.7	53743648.97	59118013.87
	% Volume (units purchased and generated less units sold)/units purchased and generated										
Employee costs	Employee costs/(Total Revenue - capital revenue)	28.7%	28.5%	24.5%	28.7%	30.1%	30.1%	0.0%	31.6%	32.1%	31.9%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	27.7%	30.8%	26.2%	31.3%	33.0%	33.0%		33.6%	34.0%	33.9%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	3.1%	1.1%	1.4%	3.0%	3.0%	3.0%		3.3%	3.5%	3.6%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	9.6%	5.2%	5.1%	3.3%	4.4%	4.4%	0.0%	4.2%	4.1%	3.8%
<u>IDP regulation financial viability indicators</u>											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year	28.1	44.6	13.3	12.3	12.3	12.3	-	11.4	11.5	12.2
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	36.7%	30.0%	31.1%	30.6%	34.6%	34.6%	0.0%	32.9%	31.0%	29.3%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	0.8	1.0	2.0	(3.3)	(3.9)	(3.9)	-	(5.7)	(6.8)	(7.7)

5.3.1 Performance indicators and benchmarks

Borrowing Management

Capital expenditure in local government can be funded by capital grants, own-source revenue and long term borrowing. The ability of a municipality to raise long term borrowing is largely dependent on its creditworthiness and financial position. As with all other municipalities, Merafong City's borrowing strategy is primarily informed by the affordability of debt repayments. The structure of the Municipality debt portfolio is dominated by annuity loans. The following financial performance indicators have formed part of the compilation of the 2018/19 MTREF:

- *Capital charges to operating expenditure* are a measure of the cost of borrowing in relation to the operating expenditure. It can be seen that the cost of borrowing has steadily decreasing from 4.5 per cent in 2014/15 to 2.0 per cent in 2018/19. This decrease can be attributed to the repayment of loans to fund portions of the capital programme. While borrowing is considered a prudent financial instrument in financing capital infrastructure development, this indicator will have to be carefully monitored going forward as the Council has reached its prudential borrowing limits.
- *Borrowing funding of own capital expenditure* measures the degree to which own capital expenditure (excluding grants and contributions) has been funded by way of borrowing. The average over MTREF is 0 per cent which substantiates the above mentioned statement that the Municipality has reached its prudential borrowing limits.

Liquidity

Current ratio

Current ratio measures the ability of the Municipality to pay its current liabilities out of the current assets. The industry usually looks for a ratio of 2:1, however the acceptable current ratio is 1:1 for municipalities.

The current ratio is 0.5:1 which means that the Municipality will not be able to meet its short term obligation if the trend continues.

Revenue Management

Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)

A revenue enhancement strategy was developed and the roll out plan has commenced. A no tolerance approach in terms of council's credit control policy will be enforced on non-indigent defaulters.

Outstanding debtors to Revenue

This ratio gives an indication of how liquid customer's debtors are. The benchmark is 8.3%. The benchmark is exceeded. The municipality needs to look at ways of improving their credit control and increase prepaid services. The average for the Municipality for the 2018/2019 financial year will be 23% and for the outer years 22% and 20.7% respectively.

Creditors Management

- **Creditors System Efficiency**

The ratio gives an indication of average creditor's payment period. The benchmark is 30 Days and is a contravention of Section 65(2) (e) if creditors are not paid in 30 days

Other Indicators

- **Employee costs**

The ratio indicates a percentage of salary costs to total expenditure and this ratio could illustrate the risk of salary costs being unmanageable.

Employee costs totalled 31.6% of the total expenditure for the 2018/19 financial year. This ratio is maintained within the limit of 35 %.

- **Cost coverage**

This ratio indicates the availability of cash plus short term investments to cover the monthly fixed operating expenditure. The benchmark is 2:1

Council does not have sufficient cash to cover current liabilities. The ratio for 2018/19 is (5.7):1 and (6.0):1 and (7.7):1 for the out years respectively.

5.4 OVERVIEW OF BUDGET RELATED POLICIES

Budgeting is central to the process of prioritizing for service delivery and the management of the functions of Council. The Municipality's budgeting process is guided and governed by relevant legislation and budget related policies.

Council had in terms of Regulation 7 and 8 of Local Government Gazette 32141 reviewed the budget related policies and bylaws for Merafong Local Council.

The following policies are amended or are new policies that need to be adopted by Council.

The policies were submitted to Management for their inputs.

The following are the key policies that affect or are affected by the annual budget that needs to be reviewed and amended if necessary.

Tariff Policy

The Municipal Systems Act, Act 32 of 2000, requires a municipality to have a tariff determination policy.

The challenge in setting tariffs lies in striking a balance between maintaining financial sustainability of the relevant departments and entities (and so sustainability of service provision) and ensuring affordability of those services by consumers.

The Municipality Tariff Policy provides a broad framework within which Council can determine fair, transparent and affordable service charges that also promote sustainability of service provision.

This policy is based on principles that address the social, economic and financial imperatives that the process of tariff setting should take account of. In addition to the policy, and for operational purposes, tariff setting methodologies have been developed for the various departments and entities involved in trading services. The methodology specifies the procedure that departments and municipal entities should follow in determining their tariff increases:

Property Rates Policy

The Municipality has revised its Rates Policy as per the legislative requirements. The new policy provides that properties be rated based on the value of their land and improvements. Sectional title owners will also be drawn into the rates base. A new valuation roll is accordingly in place. The first Rates Policy and General Valuation Roll in terms of the Municipal Property Rates Act (MPRA) were implemented by the Municipality on the 01st July 2008.

The policy is designed to ensure equitable treatment by Council in the levying of rates on property owners, including owners under sectional title, as well as other persons who may become liable for the payment of rates. This will affect the rates payable by the Municipality's property owners, and ultimately impact on the Municipality's own revenue stream.

Credit Control and Debt Collections Policy

The Municipalities Credit Control and Debt Collection Policy provides the procedures and mechanisms for credit control and for the collection of debts. The primary objective of this policy is to ensure that all monies due and payable to the Municipality in respect of rates, fees for services, surcharges on such fees, charges, tariffs, interest which has accrued on any amounts

due and payable in respect of the foregoing and any collection charges are collected efficiently and promptly.

Indigent and Free Basic Services Subsidies Policy

Council has adopted an Indigent and Free Basic Services Subsidy Policy, which embodies and provide procedures and guidelines for the subsidization of basic services and tariff charges to indigent households in its municipal area.

The object of the Indigent and Free Basic Services Subsidy Policy is to ensure:

- (a) The provision of basic services to the community in a sustainable manner within the financial and administrative capacity of the Municipality of the Council; and
- (b) The provision of procedures and guidelines for the subsidization of basic service charges to indigent households.

Debt Write Off Policy

This policy serves to assist management and officials of the municipality to implement and maintain consistent, efficient and effective bad debts management principles. This policy will also assist management to run the municipality in a cost effective manner and yet achieving high levels of revenue collection. The policy also seeks to mitigate the risk of fraudulent writing off of fictitious bad debts.

PURPOSE

- To ensure that bad debt write-offs are authorized at appropriate levels.
- To ensure that only bona fide bad debts are written off.
- To ensure firmness in writing off bad debts.
- To ensure that debt collection is effective and efficient.
- To ensure that bad debts are kept within reasonable proportions.
- To ensure that the estimated loss resulting from bad debts is provided for during the same period that the income to which it is related is earned, and
- To ensure that the outstanding debtors appear in the monthly balance sheet at net realizable value, since the provision is deducted from the gross amount of the debtors.

Supply Chain Management Policy

Municipalities are required in terms of section 111 of the MFMA to have a supply chain management policy.

The Municipality has an approved Supply Chain Management Policy, within the framework of the relevant legislation and regulations. The policy ascribes to the following principles:

A procurement system which is fair, equitable, transparent, competitive and cost- effective in terms of Section 217 of the Constitution of South Africa No 108 of 1996;

- As enshrined in Chapter 11 of the Municipal Finance Management Act and its regulations;
- Best practices in supply chain management;

- Uniformity in supply chain management systems between organs of state in all spheres;
- Broad Based Black Economic Empowerment.

Additional Policies

- Asset Management Policy
- Cash Management Policy
- Borrowing Policy
- Funding and Reserve Policy
- Virement Policy
- Long-term Financial Planning Policy
- Capital Investment Policy
- Budget Policy

Bylaws

- Property Rates

5.5 STATEMENT OF TARIFF SETTING AND REVENUE STRATEGIES

Tariff-setting is a pivotal and strategic part of the compilation of any budget. The Council annually reviews its tariffs to ascertain whether they are still capable of producing the required revenue envelope, taking note of the prevailing trends. This process of tariff setting takes place within the framework of the Council tariff policy. The tariff policy is premised on principles of financial sustainability, social considerations as relates to the affordability of services, economic soundness and environmental considerations.

National Treasury continues to encourage municipalities to keep increases in rates, tariffs and other charges as low as possible. Municipalities must justify in their budget documentation all increases in excess of the 6 per cent upper boundary of the South African Reserve Bank's inflation target.

While the municipality is committed to maintaining tariff increases within the forecasted inflation, increases above inflation are applied to some services (mainly major trading services) due to budgetary requirements aimed at sustaining service provision.

The percentage increase Rand Water bulk tariff is far beyond the mentioned inflation target. Given that this tariff increase is determined by external agencies, these tariffs are largely outside the control of the Council. Discounting the impact of these price increases in lower consumer tariffs will erode the Council future financial position and viability.

It must also be appreciated that the consumer price index, as measured by CPI, is not a good measure of the cost increases of goods and services relevant to municipalities. The basket of goods and services utilized for the calculation of the CPI consist of items such as food, petrol and medical services, whereas the cost drivers of a municipality are informed by items such as the cost of remuneration, bulk purchases of electricity and water, petrol, diesel, chemicals, cement etc. The current challenge facing the Council is managing the gap between cost drivers and tariffs levied, as any shortfall must be made up by either operational efficiency gains or service level reductions.

For the 2018/19 financial year tariffs increases for the major services were primarily driven by the following broad considerations:

- Political and social considerations;
- Move towards cost reflective tariffs over the medium term to ensure financial, and so service delivery, sustainability- cost recovery will be phased in gradually in consideration of affordability of services;
- Maintaining the Councils infrastructure in good state of repair, mindful of the affordability of services;
- Increase in bulk purchases;
- Capital investment plans;
- Current national electricity constraints;
- Trends in the national and local economy;
- The impact of inflation and other cost increases;

Within this framework the Council has undertaken the tariff setting process relating to service charges as follows:

Revenue to be generated from property rates is R185 million in the 2018/19 financial year and increases to R208 Million by 2020/21 which represents 13 per cent of the operating revenue base of the Municipality.

The tables below provide detail investment information and investment particulars by maturity.

Table 23 MBRR SA15 – Detail Investment Information

GT484 Merafong City - Supporting Table SA15 Investment particulars by type

T1404 Merging City - Supporting Table SA15 Investment particulars by type										
Investment type	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand										
Parent municipality										
Securities - National Government		11,144	86,315	-	-	-	-	-	-	-
Listed Corporate Bonds										
Deposits - Bank										
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits										
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)										
Repurchase Agreements - Banks										
Municipal Bonds										
Municipality sub-total	1	11,144	86,315	-	-	-	-	-	-	-
Entities										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank										
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits										
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)										
Repurchase Agreements - Banks										
Entities sub-total		-	-	-	-	-	-	-	-	-
Consolidated total:		11,144	86,315	-	-	-	-	-	-	-

The following table is a detailed analysis of the Municipality borrowing liability.

Table 24 MBRR Table SA 17 - Detail of borrowings

GT484 Merafong City - Supporting Table SA17 Borrowing

ST404 Mchlang City - Supporting Table SAT7: Borrowing										
Borrowing - Categorised by type	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<u>Parent municipality</u>										
Annuity and Bullet Loans										
Long-Term Loans (non-annuity)		122,865	73,420	68,465	60,443	60,443	60,443	57,769	52,421	47,074
Local registered stock										
Instalment Credit										
Financial Leases		2,649	922	1,597				957	317	-
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
Municipality sub-total	1	125,514	74,342	70,061	60,443	60,443	60,443	58,726	52,739	47,074
Entities										

Funding compliance measurement

National Treasury requires that the municipality assess its financial sustainability against fourteen different measures that look at various aspects of the financial health of the municipality. These measures are contained in the following table. All the information comes directly from the annual budgeted statements of financial performance, financial position and cash flows. The funding compliance measurement table essentially measures the degree to which the proposed budget complies with the funding requirements of the MFMA. Each of the measures is discussed below.

Table 25 MBRR SA10 – Funding compliance measurement

GT484 Merafong City Supporting Table SA10 Funding measurement

Description	MFMA section	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Funding measures												
Cash/cash equivalents at the year end - R'000	18(1)b	1	85,948	84,789	206,444	(353,698)	(415,943)	(415,943)	-	(620,533)	(775,383)	(933,375)
Cash + investments at the yr end less applications - R'000	18(1)b	2	6,965	(74,351)	(173,378)	(95,656)	(200,215)	(200,215)	-	(297,119)	(383,498)	(474,038)
Cash year end/monthly employee/supplier payments	18(1)b	3	0.8	1.0	2.0	(3.3)	(3.9)	(3.9)	-	(5.7)	(6.8)	(7.7)
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	(159,812)	(57,933)	(85,023)	(68,720)	(35,566)	(35,566)	-	19,028	(66,782)	(72,197)
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	5	N.A.	2.5%	(1.5%)	10.0%	(17.4%)	(6.0%)	(106.0%)	1.8%	(0.0%)	0.0%
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	80.8%	73.6%	72.1%	73.8%	71.3%	71.3%	0.0%	68.7%	68.7%	68.7%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7	37.4%	31.3%	36.0%	27.6%	31.2%	31.2%	0.0%	28.8%	28.8%	28.9%
Capital payments % of capital expenditure	18(1)c,(19)	8	99.7%	98.1%	100.0%	100.0%	100.0%	100.0%	0.0%	100.0%	100.0%	100.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	59.1%	292.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grants % of Govt. legislated/gazetted allocations	18(1)a	10								0.0%	0.0%	0.0%
Current consumer debtors % change - incr(decr)	18(1)a	11	N.A.	(11.3%)	8.6%	14.1%	0.0%	0.0%	(100.0%)	2.5%	0.0%	0.0%
Long term receivables % change - incr(decr)	18(1)a	12	N.A.	(100.0%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
R&M % of Property Plant & Equipment	20(1)(vi)	13	1.1%	0.4%	0.6%	1.2%	1.1%	1.1%	0.0%	1.2%	1.3%	1.5%
Asset renewal % of capital budget	20(1)(vi)	14	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	7.8%	0.0%	0.0%

Cash/cash equivalent position

The Municipality's forecast cash position was discussed as part of the budgeted cash flow statement. A 'positive' cash position, for each year of the MTREF would generally be a minimum requirement, subject to the planned application of these funds such as cash-backing of reserves and working capital requirements.

If the municipality's forecast cash position is negative, for any year of the medium term budget, the budget is very unlikely to meet MFMA requirements or be sustainable and could indicate a risk of non-compliance with section 45 of the MFMA which deals with the repayment of short term debt at the end of the financial year.

Cash plus investments less application of funds

The purpose of this measure is to understand how the municipality has applied the available cash and investments as identified in the budgeted cash flow statement. The detail reconciliation of the cash backed reserves/surpluses is contained in Table 22, on page 42. The reconciliation is intended to be a relatively simple methodology for understanding the budgeted amount of cash and investments available with any planned or required applications to be made. This has been extensively discussed above.

Monthly average payments covered by cash or cash equivalents

The purpose of this measure is to understand the level of financial risk should the municipality be under stress from a collection and cash in-flow perspective. Regardless of the annual cash position an evaluation should be made of the ability of the Municipality to SA2 position should the municipality be faced with an unexpected disaster that threatens revenue collection such as rate boycotts. As indicated above the Municipality aims to achieve at least one month's cash coverage in the medium term, and then gradually move towards two months coverage. This measure will have to be carefully monitored going forward.

Surplus/deficit excluding depreciation offsets

The main purpose of this measure is to understand if the revenue levels are sufficient to conclude that the community is making a sufficient contribution for the municipal resources consumed each year. An 'adjusted' surplus/deficit is achieved by offsetting the amount of depreciation related to externally funded assets. Municipalities need to assess the result of this calculation taking into consideration its own circumstances and levels of backlogs.

Property Rates/service charge revenue as a percentage increase less macro inflation target

The purpose of this measure is to understand whether the municipality is contributing appropriately to the achievement of national inflation targets. This measure is based on the increase in 'revenue', which will include both the change in the tariff as well as any assumption about real growth such as new property development, services consumption growth etc.

Cash receipts as a percentage of ratepayer and other revenue

This factor is a macro measure of the rate at which funds are 'collected'. This measure is intended to analyse the underlying assumed collection rate for the MTREF to determine the relevance and credibility of the budget assumptions contained in the budget. It can be seen that the outcome is at 75 per cent for each of the respective financial years. Given that the assumed collection rate was based on a 75 per cent performance target, the cash flow statement has been conservatively determined. In addition the risks associated with objections to the valuation roll need to be clarified and hence the conservative approach, also taking into consideration the cash flow challenges experienced in the current financial year. This measure and performance objective will have to be meticulously managed. Should performance with the mid-year review and adjustments be positive in relation to actual collections of billed revenue, the adjustments budget will be amended accordingly.

Debt impairment expense as a percentage of billable revenue

This factor measures whether the provision for debt impairment is being adequately funded and is based on the underlying assumption that the provision for debt impairment (doubtful and bad debts) has to be increased to offset under-collection of billed revenues. The provision has been appropriated at 25 per cent over the MTREF. The provision is not the accepted leading practice.

Capital payments percentage of capital expenditure

The purpose of this measure is to determine whether the timing of payments has been taken into consideration when forecasting the cash position. The municipality aims to keep this as low as possible through strict compliance with the legislative requirement that debtors be paid within 30 days.

Borrowing as a percentage of capital expenditure (excluding transfers, grants and contributions)

The purpose of this measurement is to determine the proportion of a municipality's 'own-funded' capital expenditure budget that is being funded from borrowed funds to confirm MFMA compliance. Externally funded expenditure (by transfers/grants and contributions) has been excluded. It can be seen that borrowing equates to 0 per cent of own funded capital.

Transfers/grants revenue as a percentage of Government transfers/grants available

The purpose of this measurement is mainly to ensure that all available transfers from national and provincial government have been budgeted for. A percentage less than 100 per cent could indicate that not all grants as contained in the Division of Revenue Act (DoRA) have been budgeted for. The Municipality has budgeted for all transfers.

Consumer debtors change (Current and Non-current)

The purpose of these measures is to ascertain whether budgeted reductions in outstanding debtors are realistic. There are 2 measures shown for this factor; the change in current debtors

and the change in long term receivables, both from the Budgeted Financial Position. Both measures show a relatively stable trend in line with the municipality's policy of settling debtor's accounts within 30 days.

Repairs and maintenance expenditure level

This measure must be considered important within the context of the funding measures criteria because a trend that indicates insufficient funds are being committed to asset repair could also indicate that the overall budget is not credible and/or sustainable in the medium to long term because the revenue budget is not being protected.

Asset renewal/rehabilitation expenditure level

This measure has a similar objective to aforementioned objective relating to repairs and maintenance. A requirement of the detailed capital budget (since MFMA Circular 28 which was issued in December 2005) is to categorise each capital project as a new asset or a renewal/rehabilitation project. The objective is to summarise and understand the proportion of budgets being provided for new assets and also asset sustainability. A declining or low level of renewal funding may indicate that a budget is not credible and/or sustainable and future revenue is not being protected, similar to the justification for 'repairs and maintenance' budgets.

5.6 Expenditure on Grants and Reconciliations of Unspent Funds

Table 26 MBRR SA19 - Expenditure on transfers and grant programmes

GT484 Merafong City - Supporting Table SA19 Expenditure on transfers and grant programme

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand										
EXPENDITURE:	1									
Operating expenditure of Transfers and Grants										
National Government:		185,851	173,125	248,009	167,619	167,619	167,619	210,069	205,793	224,748
Local Government Equitable Share		178,319	168,320	162,952	163,084	163,084	163,084	185,872	203,628	222,151
Finance Management		1,600	1,600	1,625	1,700	1,700	1,700	1,700	2,165	2,597
Municipal Systems Improvement		934	930		1,365	1,365	1,365	-	-	-
EPWP Incentive		4,999	2,275	1,424	1,470	1,470	1,470	1,180	-	-
Disaster Grant				82,008	-	-	-	-	-	-
Other transfers/grants [insert description]								21,317	-	-
Provincial Government:		109,363	30,678	28,528	80,920	71,963	71,963	17,330	17,200	18,165
Housing		103,002	19,936	12,735	64,919	55,474	55,474	-	-	-
Department of Sports, arts, culture and recreation		5,845	9,903	12,900	15,001	15,489	15,489	15,330	16,200	17,000
Agricultural and Rural Development		516			500	500	500	-	-	-
EPWP Incentive				1,393	500	500	500	500	-	-
Department of Cooperative Governance and Traditional Affairs			839	1,500	-	-	-	1,500	1,000	1,165
District Municipality:		2,895	1,564	1,650	-	-	-	-	-	-
HIV Programme		2,895	1,564	1,650						
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]										
Total operating expenditure of Transfers and Grants:		298,109	205,367	278,187	248,539	239,582	239,582	227,399	222,993	242,913
Capital expenditure of Transfers and Grants										
National Government:		86,890	69,640	105,116	97,428	95,428	95,428	135,938	120,475	119,699
Municipal Infrastructure Grant (MIG)		70,238	56,008	41,672	67,428	65,428	65,428	64,938	66,275	69,974
National Electrification Programme		12,651	10,000	14,450	10,000	10,000	10,000	16,000	19,200	12,800
Water Services Infrastructure Grant		-			20,000	20,000	20,000	55,000	35,000	36,925
Department of Water and Sanitation					-	-	-	-	-	-
Disaster Grant				35,801	-	-	-	-	-	-
Energy Efficiency and Demand Side Management		4,000			-	-	-	-	-	-
Municipal Water Infrastructure grant			3,632	13,193	-	-	-	-	-	-
Provincial Government:		-	71,836	1,393	26,282	74,782	74,782	66,900	-	-
Dept Water and Sanitation			3,770	1,393				20,000		
Human Settlement Grant			68,066		26,282	74,782	74,782	46,900	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
HIV Programme										
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]										
Total capital expenditure of Transfers and Grants		86,890	141,476	106,509	123,710	170,210	170,210	202,838	120,475	119,699
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		384,998	346,843	384,697	372,249	409,792	409,792	430,237	343,468	362,612

Table 27 MBRR SA 20 - Reconciliation between of transfers, grant receipts and unspent funds

GT484 Merafong City - Supporting Table SA20 Reconciliation of transfers, grant receipts and unspent funds

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand										
Operating transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year		4,209								
Current year receipts		182,807	173,125	248,009	167,619	167,619	167,619	210,069	205,793	224,748
Conditions met - transferred to revenue		187,015	173,125	248,009	167,619	167,619	167,619	210,069	205,793	224,748
Conditions still to be met - transferred to liabilities		-	-	-						
Provincial Government:										
Balance unspent at beginning of the year		44,760	18,245	11,971		26,018	26,018	-		
Current year receipts		92,643	28,573	41,182	80,920	71,963	71,963	17,330	17,200	18,165
Conditions met - transferred to revenue		119,158	34,847	28,528	80,920	97,980	97,980	17,330	17,200	18,165
Conditions still to be met - transferred to liabilities		18,245	11,971	26,018						
District Municipality:										
Balance unspent at beginning of the year				120		120	-			
Current year receipts		1,415	1,732	1,650						
Conditions met - transferred to revenue		1,415	1,612	1,650	-	120	-	-	-	-
Conditions still to be met - transferred to liabilities			120	120						
Other grant providers:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Total operating transfers and grants revenue		307,588	209,584	278,187	248,539	265,719	265,599	227,399	222,993	242,913
Total operating transfers and grants - CTBM	2	18,245	12,091	26,138	-	-	-	-	-	-
Capital transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year		16,309	(2,651)	(1,316)		19,917	-			
Current year receipts		67,929	70,769	131,585	97,428	95,428	95,428	135,938	120,475	119,699
Conditions met - transferred to revenue		86,890	69,434	110,352	97,428	115,345	95,428	135,938	120,475	119,699
Conditions still to be met - transferred to liabilities		(2,651)	(1,316)	19,917						
Provincial Government:										
Balance unspent at beginning of the year		39,106		1,393				52,380		
Current year receipts		39,727	68,796		26,282	74,782	74,782	66,900	-	-
Conditions met - transferred to revenue		78,833	67,404	1,393	26,282	74,782	22,402	119,280	-	-
Conditions still to be met - transferred to liabilities			1,393				52,380			
District Municipality:										
Balance unspent at beginning of the year		1,295								
Current year receipts										
Conditions met - transferred to revenue		1,295	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Other grant providers:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Total capital transfers and grants revenue		167,018	136,837	111,745	123,710	190,127	117,830	255,218	120,475	119,699
Total capital transfers and grants - CTBM	2	(2,651)	77	19,917	-	-	52,380	-	-	-
TOTAL TRANSFERS AND GRANTS REVENUE		474,606	346,421	389,932	372,249	455,846	383,429	482,617	343,468	362,612
TOTAL TRANSFERS AND GRANTS - CTBM		15,593	12,168	46,055	-	-	52,380	-	-	-

5.7 Councillor and employee benefits

Table 28 MBRR SA22 - Summary of councillor and staff benefits

GT484 Merafong City - Supporting Table SA22 Summary
councillor and staff benefits

Summary of Employee and Councillor remuneration R thousand	R ef	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<u>Councillors (Political Office Bearers plus Other)</u>	1	A	B	C	D	E	F	G	H	I
Basic Salaries and Wages		18,762	19,795	19,884	22,050	22,039	22,039	23,361	24,763	26,248
Pension and UIF										
Contributions										
Medical Aid Contributions										
Motor Vehicle Allowance										
Cellphone Allowance										
Housing Allowances										
Other benefits and allowances										
Sub Total - Councillors		18,762	19,795	19,884	22,050	22,039	22,039	23,361	24,763	26,248
% increase	4		5.5%	0.5%	10.9%	(0.1%)	-	6.0%	6.0%	6.0%
<u>Senior Managers of the Municipality</u>	2									
Basic Salaries and Wages		8,636	9,245	9,151	10,997	10,997	10,997	8,427	8,932	9,468
Pension and UIF										
Contributions										
Medical Aid Contributions										
Overtime										
Performance Bonus		1,036	996	865	1,719	1,719	1,719	1,840	1,950	2,067
Motor Vehicle Allowance	3									
Cellphone Allowance	3									
Housing Allowances	3									
Other benefits and allowances	3									
Payments in lieu of leave										
Long service awards										
Post-retirement benefit obligations	6									
Sub Total - Senior Managers of Municipality		9,672	10,241	10,016	12,716	12,716	12,716	10,266	10,882	11,535
% increase	4		5.9%	(2.2%)	27.0%	-	-	(19.3%)	6.0%	6.0%
<u>Other Municipal Staff</u>										
Basic Salaries and Wages		153,523	188,064	153,952	206,867	190,512	190,512	201,125	213,192	225,984
Pension and UIF										
Contributions		44,299	34,204	38,093	45,720	45,731	45,731	49,006	51,947	55,063
Medical Aid Contributions		18,406	21,074	21,532	24,390	24,390	24,390	25,970	27,528	29,180
Overtime		18,467	22,900	23,856	15,174	22,174	22,174	24,416	25,881	27,434
Performance Bonus										
Motor Vehicle Allowance	3	8,856	9,718	9,394	10,485	10,485	10,485	11,604	12,300	13,038
Cellphone Allowance	3	2,493		2,001	2,391	2,391	2,391	2,579	2,734	2,898
Housing Allowances	3	1,558	1,959	1,892	2,196	2,206	2,206	2,357	2,498	2,648

Other benefits and allowances	3	8,677	5,625	18,469	20,805	21,295	21,295	25,440	26,966	28,584
Payments in lieu of leave		5,936		10,751	5,817	5,817	5,817	6,166	6,536	6,928
Long service awards		1,123	2,321	4,063	1,825	1,824	1,824	1,933	2,049	2,172
Post-retirement benefit obligations	6	6,000		(6,441)	18,463	18,463	18,463	19,571	20,745	21,990
Sub Total - Other Municipal Staff		269,338	285,864	277,561	354,134	345,289	345,289	370,167	392,377	415,919
% increase	4		6.1%	(2.9%)	27.6%	(2.5%)	-	7.2%	6.0%	6.0%
Total Parent Municipality		297,772	315,900	307,461	388,900	380,043	380,043	403,794	428,022	453,703
<u>Board Members of Entities</u>			6.1%	(2.7%)	26.5%	(2.3%)	-	6.2%	6.0%	6.0%
Basic Salaries and Wages										
Pension and UIF Contributions										
Medical Aid Contributions										
Overtime										
Performance Bonus										
Motor Vehicle Allowance	3									
Cellphone Allowance	3									
Housing Allowances	3									
Other benefits and allowances	3									
Board Fees										
Payments in lieu of leave										
Long service awards										
Post-retirement benefit obligations	6									
Sub Total - Board Members of Entities		-	-	-	-	-	-	-	-	-
% increase	4		-	-	-	-	-	-	-	-
<u>Senior Managers of Entities</u>										
Basic Salaries and Wages										
Pension and UIF Contributions										
Medical Aid Contributions										
Overtime										
Performance Bonus										
Motor Vehicle Allowance	3									
Cellphone Allowance	3									
Housing Allowances	3									
Other benefits and allowances	3									
Payments in lieu of leave										
Long service awards										
Post-retirement benefit obligations	6									
Sub Total - Senior Managers of Entities		-	-	-	-	-	-	-	-	-
% increase	4		-	-	-	-	-	-	-	-
<u>Other Staff of Entities</u>										
Basic Salaries and Wages										
Pension and UIF Contributions										
Medical Aid Contributions										
Overtime										
Performance Bonus										
Motor Vehicle Allowance	3									

Cellphone Allowance	3									
Housing Allowances	3									
Other benefits and allowances	3									
Payments in lieu of leave										
Long service awards										
Post-retirement benefit obligations	6									
Sub Total - Other Staff of Entities		-	-	-	-	-	-	-	-	-
% increase	4		-	-	-	-	-	-	-	-
Total Municipal Entities		-	-	-	-	-	-	-	-	-
TOTAL SALARY, ALLOWANCES & BENEFITS		297,772	315,900	307,461	388,900	380,043	380,043	403,794	428,022	453,703
% increase	4		6.1%	(2.7%)	26.5%	(2.3%)	-	6.2%	6.0%	6.0%
TOTAL MANAGERS AND STAFF	5, 7	279,010	296,105	287,577	366,850	358,005	358,005	380,433	403,259	427,454

GT484 Merafong City - Supporting Table SA23 Salaries, allowances & benefits (political office bearers/councillors/senior managers)

MEDIUM TERM BUDGET 2018/2019 TO 2020/2021

Table 30 MBRR SA24 – Summary of personnel numbers

GT484 Merafong City - Supporting Table SA24 Summary of personnel numbers

Summary of Personnel Numbers	R ef	2016/17			Current Year 2017/18			Budget Year 2018/19		
		Positio ns	Perman ent employ ees	Contra ct employ ees	Positio ns	Perman ent employ ees	Contra ct employ ees	Positio ns	Perman ent employ ees	Contra ct employ ees
Municipal Council and Boards of Municipal Entities										
Councillors (Political Office Bearers plus Other Councillors)	4	55	55		55	55		55	55	
Board Members of municipal entities	5									
Municipal employees										
Municipal Manager and Senior Managers	3	8	7		8	7		8	8	
Other Managers	7	26	19		26	19		26	21	
Professionals		29	22	–	29	20	–	29	25	–
<i>Finance</i>		4	4		4	2		4	4	
<i>Spatial/town planning</i>		2	2		2	2		2	2	
<i>Information Technology</i>		1	1		1	1		1	1	
<i>Roads</i>		1	1		1	1		1	1	
<i>Electricity</i>		4	2		4	2		4	3	
<i>Water</i>		1	1		1	1		1	1	
<i>Sanitation</i>										
<i>Refuse</i>		1	1		1	1		1	1	
<i>Other</i>		15	10		15	10		15	12	
Technicians		75	67	–	75	67	–	75	58	–
<i>Finance</i>		4	4		4	4		4	4	
<i>Spatial/town planning</i>		6	6		6	6		6	6	
<i>Information Technology</i>		2	2		2	2		2	2	
<i>Roads</i>		2	1		2	1		2	1	
<i>Electricity</i>		5	2		5	2		5	2	
<i>Water</i>		4	1		4	1		4	3	
<i>Sanitation</i>		2	1		2	1		2	2	
<i>Refuse</i>		2	2		2	2		2	2	
<i>Other</i>		48	48		48	48		48	36	
Clerks (Clerical and administrative)		99	99		99	99		99	87	
Service and sales workers										
Skilled agricultural and fishery workers										
Craft and related trades										
Plant and Machine Operators										
Elementary Occupations		937	653		937	637		937	528	
TOTAL PERSONNEL NUMBERS	9	1,229	922	–	1,229	904	–	1,229	782	–

5.8 Monthly targets for revenue, expenditure and cash flow

Table 31 MBRR SA25 - Budgeted monthly revenue and expenditure

GT484 Merafong City - Supporting Table SA25 Budgeted monthly revenue and expenditure

Description	Ref	Budget Year 2018/19												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand																
Revenue By Source																
Property rates		15,449	15,449	15,449	15,449	15,449	15,449	15,449	15,449	15,449	15,449	15,449	15,449	185,386	196,509	208,299
Service charges - electricity revenue		22,809	22,809	22,809	22,809	22,809	22,809	22,809	22,809	22,809	22,809	22,809	22,809	273,707	290,129	307,537
Service charges - water revenue		24,501	24,501	24,501	24,501	24,501	24,501	24,501	24,501	24,501	24,501	24,501	24,501	294,017	311,658	330,358
Service charges - sanitation revenue		2,424	2,424	2,424	2,424	2,424	2,424	2,424	2,424	2,424	2,424	2,424	2,424	29,090	30,836	32,686
Service charges - refuse revenue		4,873	4,873	4,873	4,873	4,873	4,873	4,873	4,873	4,873	4,873	4,873	4,873	58,477	61,985	65,705
Service charges - other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		195	195	195	195	195	195	195	195	195	195	195	195	2,340	2,480	2,629
Interest earned - external investments		542	542	542	542	542	542	542	542	542	542	542	542	6,500	6,500	6,500
Interest earned - outstanding debtors		7,750	7,750	7,750	7,750	7,750	7,750	7,750	7,750	7,750	7,750	7,750	7,750	93,004	98,585	104,500
Dividends received		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		903	903	903	903	903	903	903	903	903	903	903	903	10,836	11,486	12,175
Licences and permits		1,366	1,366	1,366	1,366	1,366	1,366	1,366	1,366	1,366	1,366	1,366	1,366	16,397	17,381	18,424
Agency services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies		75,800	-	-	-	75,800	-	-	-	75,800	-	-	-	227,399	222,993	242,913
Other revenue		519	519	519	519	519	519	519	519	519	519	519	519	6,226	6,599	6,995
Gains on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		157,131	81,332	81,332	81,332	157,131	81,332	81,332	81,332	157,131	81,332	81,332	81,332	1,203,379	1,257,141	1,338,720
Expenditure By Type																
Employee related costs		31,703	31,703	31,703	31,703	31,703	31,703	31,703	31,703	31,703	31,703	31,703	31,703	380,433	403,259	427,454
Remuneration of councillors		1,947	1,947	1,947	1,947	1,947	1,947	1,947	1,947	1,947	1,947	1,947	1,947	23,361	24,763	26,248
Debt impairment		20,147	20,147	20,147	20,147	20,147	20,147	20,147	20,147	20,147	20,147	20,147	20,147	241,760	256,535	272,722
Depreciation & asset impairment		2,363	2,363	2,363	2,363	2,363	2,363	2,363	2,363	2,363	2,363	2,363	2,363	28,361	28,361	28,361
Finance charges		1,883	1,883	1,883	1,883	1,883	1,883	1,883	1,883	1,883	1,883	1,883	1,883	22,600	22,600	22,600
Bulk purchases		60,438	60,438	32,438	32,438	32,438	32,438	32,438	32,438	32,438	32,438	32,438	60,438	473,253	501,648	531,747
Other materials		76	76	76	76	76	76	76	76	76	76	76	76	913	968	1,026
Contracted services		12,924	12,935	12,935	12,935	12,935	12,935	12,935	12,935	12,935	12,935	12,935	12,816	155,093	141,648	152,576
Transfers and subsidies		122	122	122	122	122	122	122	122	122	122	122	122	1,465	1,553	1,646
Other expenditure		4,996	4,885	4,885	4,885	4,885	4,885	4,885	4,885	4,885	4,885	4,885	6,103	59,950	63,065	66,237
Loss on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure		136,599	136,499	108,499	108,499	108,499	108,499	108,499	108,499	108,499	108,499	108,499	137,598	1,387,189	1,444,398	1,530,616
Surplus/(Deficit)		20,532	(55,167)	(27,167)	(27,167)	48,632	(27,167)	(27,167)	(27,167)	48,632	(27,167)	(27,167)	(56,267)	(183,810)	(187,257)	(191,896)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		67,613	-	-	-	67,613	-	-	-	67,613	-	-	-	202,838	120,475	119,699
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatbns, Higher Educational Institutions)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		88,145	(55,167)	(27,167)	(27,167)	116,245	(27,167)	(27,167)	(27,167)	116,245	(27,167)	(27,167)	(56,267)	19,028	(66,782)	(72,197)
Taxation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attributable to minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)	1	88,145	(55,167)	(27,167)	(27,167)	116,245	(27,167)	(27,167)	(27,167)	116,245	(27,167)	(27,167)	(56,267)	19,028	(66,782)	(72,197)

Table 32 MBRR SA26 - Budgeted monthly revenue and expenditure (municipal vote)

GT484 Merafong City - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)

Description	Ref	Budget Year 2018/19												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand																
Revenue by Vote																
Municipal Manager		137	137	137	137	137	137	137	137	137	137	137	137	1,648	1,747	1,852
Finance		73,467	12,570	12,570	12,570	73,467	12,570	12,570	12,570	73,467	12,570	12,570	12,570	333,534	356,745	379,651
Economic Development and Planning		96	96	96	96	96	96	96	96	96	96	96	96	1,148	1,217	1,290
Chief Operating Officer		83	—	—	—	—	—	—	—	—	—	—	917	1,000	500	500
Infrastructure Development		131,391	63,778	63,778	63,778	131,391	63,778	63,778	63,778	131,391	63,778	63,778	63,778	968,175	910,049	960,872
Community Services		19,271	4,451	4,451	4,451	19,354	4,451	4,451	4,451	19,354	4,451	4,451	65,061	158,647	168,770	179,350
Housing		110	110	110	110	110	110	110	110	110	110	110	110	1,315	1,394	1,478
Shared Services		190	190	190	190	190	190	190	190	190	190	190	190	2,277	2,414	2,558
0													—	—	—	—
0													—	—	—	—
0													—	—	—	—
0													—	—	—	—
0													—	—	—	—
0													—	—	—	—
0													—	—	—	—
0													—	—	—	—
Total Revenue by Vote		224,744	81,332	81,332	81,332	224,744	81,332	81,332	81,332	224,744	81,332	81,332	142,859	1,467,744	1,442,835	1,527,551
Expenditure by Vote to be appropriated																
Municipal Manager		5,964	5,968	5,968	5,968	5,968	5,968	5,968	5,968	5,968	5,968	5,968	5,926	71,568	75,862	80,414
Finance		21,982	21,982	21,982	21,982	21,982	21,982	21,982	21,982	21,982	21,982	21,982	21,982	263,779	273,447	282,247
Economic Development and Planning		1,285	1,285	1,285	1,285	1,285	1,285	1,285	1,285	1,285	1,285	1,285	1,285	15,417	16,348	17,337
Chief Operating Officer		1,128	1,044	1,044	1,044	1,044	1,044	1,044	1,044	1,044	1,044	1,044	1,961	13,534	13,786	14,583
Infrastructure Development		90,000	90,053	62,053	62,053	62,053	62,053	62,053	62,053	62,053	62,053	62,053	89,475	828,005	853,691	907,360
Community Services		17,996	17,968	17,968	17,968	17,968	17,968	17,968	17,968	17,968	17,968	17,968	18,270	215,946	228,914	242,543
Housing		551	551	551	551	551	551	551	551	551	551	551	551	6,607	7,012	7,443
Shared Services		9,310	9,236	9,236	9,236	9,236	9,236	9,236	9,236	9,236	9,236	9,236	10,059	111,725	118,422	125,689
0													—	—	—	—
0													—	—	—	—
0													—	—	—	—
0													—	—	—	—
0													—	—	—	—
0													—	—	—	—
0													—	—	—	—
0													—	—	—	—
Total Expenditure by Vote		148,215	148,086	120,086	120,086	120,086	120,086	120,086	120,086	120,086	120,086	120,086	149,508	1,526,581	1,587,482	1,677,613
Surplus/(Deficit) before assoc.		76,529	(66,754)	(38,754)	(38,754)	104,658	(38,754)	(38,754)	(38,754)	104,658	(38,754)	(38,754)	(6,649)	(58,837)	(144,647)	(150,062)
Taxation													—	—	—	—
Attributable to minorities													—	—	—	—
Share of surplus/ (deficit) of associate													—	—	—	—
Surplus/(Deficit)	1	76,529	(66,754)	(38,754)	(38,754)	104,658	(38,754)	(38,754)	(38,754)	104,658	(38,754)	(38,754)	(6,649)	(58,837)	(144,647)	(150,062)

Table 33 MBRR SA27 - Budgeted monthly revenue and expenditure (standard classification)

GT484 Merafong City - Supporting Table SA27 Budgeted monthly revenue and expenditure (functional classification)

Description	Ref	Budget Year 2018/19												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand																
Revenue - Functional																
Governance and administration		74,654	12,696	12,696	12,696	74,654	12,696	12,696	74,654	12,696	12,696	12,696	338,227	361,159	384,301	
Executive and council		137	137	137	137	137	137	137	137	137	137	137	1,648	1,747	1,852	
Finance and administration		74,516	12,559	12,559	12,559	74,516	12,559	12,559	74,516	12,559	12,559	12,559	336,579	359,412	382,449	
Internal audit		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Community and public safety		5,737	5,560	5,560	5,560	5,560	5,560	5,560	5,560	5,560	5,560	7,505	68,847	72,928	77,132	
Community and social services		1,344	1,317	1,317	1,317	1,317	1,317	1,317	1,317	1,317	1,317	1,619	16,133	17,051	17,902	
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Public safety		4,244	4,244	4,244	4,244	4,244	4,244	4,244	4,244	4,244	4,244	4,244	50,922	53,978	57,216	
Housing		149	-	-	-	-	-	-	-	-	-	1,643	1,792	1,900	2,014	
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Economic and environmental services		61,140	194	194	194	61,140	194	194	61,140	194	194	42,012	226,983	121,692	120,989	
Planning and development		61,140	194	194	194	61,140	194	194	61,140	194	194	194	205,666	121,692	120,989	
Road transport		-	-	-	-	-	-	-	-	-	-	21,317	21,317	-	-	
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Trading services		83,213	62,881	62,881	62,881	83,390	62,881	62,881	83,390	62,881	62,881	80,645	833,686	887,056	945,129	
Energy sources		26,586	26,586	26,586	26,586	26,586	26,586	26,586	26,586	26,586	26,586	26,586	319,030	339,823	361,792	
Water management		43,331	22,999	22,999	22,999	43,508	22,999	22,999	43,508	22,999	22,999	40,763	355,098	377,835	402,180	
Waste water management		5,655	5,655	5,655	5,655	5,655	5,655	5,655	5,655	5,655	5,655	5,655	67,860	71,544	76,806	
Waste management		7,641	7,641	7,641	7,641	7,641	7,641	7,641	7,641	7,641	7,641	7,641	91,698	97,854	104,351	
Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Revenue - Functional		224,744	81,332	81,332	81,332	224,744	81,332	81,332	224,744	81,332	81,332	142,859	1,467,744	1,442,835	1,527,551	
Expenditure - Functional																
Governance and administration		41,268	43,088	43,088	43,088	43,088	43,088	43,088	43,088	43,088	43,088	23,069	495,215	518,817	542,562	
Executive and council		7,469	7,386	7,386	7,386	7,386	7,386	7,386	7,386	7,386	7,386	8,303	89,633	94,451	100,088	
Finance and administration		33,445	35,348	35,348	35,348	35,348	35,348	35,348	35,348	35,348	35,348	14,412	401,341	419,870	437,709	
Internal audit		353	353	353	353	353	353	353	353	353	353	353	4,241	4,496	4,765	
Community and public safety		10,574	10,397	10,397	10,397	10,397	10,397	10,397	10,397	10,397	10,397	12,342	126,888	134,520	142,496	
Community and social services		2,858	2,830	2,830	2,830	2,830	2,830	2,830	2,830	2,830	2,830	3,132	34,291	36,299	38,305	
Sport and recreation		1,888	1,888	1,888	1,888	1,888	1,888	1,888	1,888	1,888	1,888	1,888	22,651	24,054	25,546	
Public safety		5,278	5,278	5,278	5,278	5,278	5,278	5,278	5,278	5,278	5,278	5,278	63,333	67,149	71,196	
Housing		551	402	402	402	402	402	402	402	402	402	2,045	6,613	7,018	7,450	
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Economic and environmental services		6,903	5,138	5,138	5,138	5,138	5,138	5,138	5,138	5,138	5,138	24,560	82,840	63,567	67,527	
Planning and development		1,901	1,911	1,911	1,911	1,911	1,911	1,911	1,911	1,911	1,911	1,793	22,808	22,402	23,753	
Road transport		5,003	3,226	3,226	3,226	3,226	3,226	3,226	3,226	3,226	3,226	22,767	60,033	41,165	43,773	
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Trading services		89,470	89,463	61,463	61,463	61,463	61,463	61,463	61,463	61,463	61,463	89,537	821,638	870,578	925,028	
Energy sources		50,785	50,778	22,778	22,778	22,778	22,778	22,778	22,778	22,778	22,778	50,851	357,418	379,187	402,295	
Water management		30,084	30,084	30,084	30,084	30,084	30,084	30,084	30,084	30,084	30,084	30,084	361,003	382,648	406,105	
Waste water management		2,793	2,793	2,793	2,793	2,793	2,793	2,793	2,793	2,793	2,793	2,794	33,515	34,860	38,312	
Waste management		5,808	5,808	5,808	5,808	5,808	5,808	5,808	5,808	5,808	5,808	5,808	69,701	73,883	78,316	
Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Expenditure - Functional		148,215	148,086	120,086	120,086	120,086	120,086	120,086	120,086	120,086	120,086	149,508	1,526,581	1,587,482	1,677,613	
Surplus/(Deficit) before assoc.		76,529	(66,754)	(38,754)	(38,754)	104,658	(38,754)	(38,754)	104,658	(38,754)	(38,754)	(6,649)	(58,837)	(144,647)	(150,062)	
Share of surplus/ (deficit) of associate																
Surplus/(Deficit)	1	76,529	(66,754)	(38,754)	(38,754)	104,658	(38,754)	(38,754)	104,658	(38,754)	(38,754)	(6,649)	(58,837)	(144,647)	(150,062)	

Table 34 MBRR SA28 - Budgeted monthly capital expenditure (municipal vote)

GT484 Merafong City - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)

Description	Ref	Budget Year 2018/19												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand																
Multi-year expenditure to be appropriated	1															
Municipal Manager														-	-	-
Finance														-	-	-
Economic Development and Planning														-	-	-
Chief Operating Officer														-	-	-
Infrastructure Development														-	-	-
Community Services														-	-	-
Housing														-	-	-
Shared Services														-	-	-
0														-	-	-
0														-	-	-
0														-	-	-
0														-	-	-
0														-	-	-
0														-	-	-
0														-	-	-
Capital multi-year expenditure sub-total	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Single-year expenditure to be appropriated																
Municipal Manager		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Finance		122	122	122	122	122	122	122	122	122	122	122	122	1,460	1,489	1,519
Economic Development and Planning					1,225				306	306	306	306	1,225	3,674	-	-
Chief Operating Officer		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Infrastructure Development		1,252	25,965	19,025	18,987	4,598	3,254	25,987	45,691	18,259	21,258	19,025	44,997	248,298	117,161	116,200
Community Services			1,000			1,000								2,000	2,000	2,000
Housing														-	-	-
Shared Services														-	-	-
0														-	-	-
0														-	-	-
0														-	-	-
0														-	-	-
0														-	-	-
0														-	-	-
0														-	-	-
Capital single-year expenditure sub-total	2	1,374	27,087	19,146	20,333	5,720	3,376	26,109	46,119	18,687	21,686	19,453	46,343	255,432	120,650	119,719
Total Capital Expenditure	2	1,374	27,087	19,146	20,333	5,720	3,376	26,109	46,119	18,687	21,686	19,453	46,343	255,432	120,650	119,719

Table 35 MBRR SA29 - Budgeted monthly capital expenditure (standard classification)

GT484 Merafong City - Supporting Table SA29 Budgeted monthly capital expenditure (functional classification)

Description	Ref	Budget Year 2018/19												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Capital Expenditure - Functional	1															
<i>Governance and administration</i>		122	122	122	122	122	122	122	122	122	122	122	122	1,460	1,489	1,519
Executive and council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Finance and administration		122	122	122	122	122	122	122	122	122	122	122	122	1,460	1,489	1,519
Internal audit		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		-	1,000	-	1,225	1,000	-	-	306	306	306	306	14,923	19,373	2,000	2,000
Community and social services		-	-	-	1,225	-	-	-	306	306	306	306	1,225	17,373	-	-
Sport and recreation		-	1,000	-	-	1,000	-	-	-	-	-	-	-	2,000	2,000	2,000
Public safety		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		652	2,801	2,801	2,801	562	306	3,379	15,370	4,209	731	-	0	33,612	9,491	27,780
Planning and development		-	306	306	306	-	306	123	306	1,714	306	-	0	3,674	-	-
Road transport		652	2,495	2,495	2,495	562	-	3,256	15,064	2,495	425	-	0	29,938	9,491	27,780
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>		600	23,164	16,224	16,186	4,036	2,948	22,608	30,321	14,050	20,527	19,025	31,297	200,987	107,670	88,421
Energy sources		-	9,415	1,333	1,333	452	235	1,333	1,333	564	-	-	0	16,000	27,670	25,955
Water management		600	12,415	13,557	12,415	2,250	1,726	14,022	28,732	12,415	20,527	19,025	31,296	168,980	25,000	25,540
Waste water management		-	1,334	1,334	2,438	1,334	987	7,253	256	1,071	-	-	(0)	16,006	55,000	36,925
Waste management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Other</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	2	1,373	27,087	19,147	20,334	5,720	3,376	26,109	46,119	18,687	21,686	19,453	46,342	255,432	120,650	119,719
Funded by:																
National Government		44,230	-	-	-	44,230	-	-	-	44,230	-	-	-	132,691	117,161	116,200
Provincial Government		39,760	-	-	-	33,093	-	-	-	33,093	-	-	13,333	119,280	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital		83,991	-	-	-	77,324	-	-	-	77,324	-	-	13,333	251,972	117,161	116,200
Public contributions & donations		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Internally generated funds		288	288	288	288	288	288	288	288	288	288	288	288	3,460	3,489	3,519
Total Capital Funding		84,279	288	288	288	77,612	288	288	288	77,612	288	288	13,622	255,432	120,650	119,719

Table 36 MBRR SA30 - Budgeted monthly cash flow

GT484 Merafong City - Supporting Table SA30 Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2018/19												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Cash Receipts By Source													1		
Property rates	11,587	11,587	11,587	11,587	11,587	11,587	11,587	11,587	11,587	11,587	11,587	11,587	139,039	147,382	156,225
Service charges - electricity revenue	17,107	17,107	17,107	17,107	17,107	17,107	17,107	17,107	17,107	17,107	17,107	17,107	205,280	217,597	230,653
Service charges - water revenue	18,376	18,376	18,376	18,376	18,376	18,376	18,376	18,376	18,376	18,376	18,376	18,376	220,513	233,744	247,768
Service charges - sanitation revenue	1,818	1,818	1,818	1,818	1,818	1,818	1,818	1,818	1,818	1,818	1,818	1,818	21,818	23,127	24,514
Service charges - refuse revenue	3,655	3,655	3,655	3,655	3,655	3,655	3,655	3,655	3,655	3,655	3,655	3,655	43,858	46,489	49,278
Service charges - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	195	195	195	195	195	195	195	195	195	195	195	195	2,340	2,480	2,629
Interest earned - external investments	542	542	542	542	542	542	542	542	542	542	542	542	6,500	6,500	6,500
Interest earned - outstanding debtors	5,813	5,813	5,813	5,813	5,813	5,813	5,813	5,813	5,813	5,813	5,813	5,813	69,753	73,938	78,375
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	903	903	903	903	903	903	903	903	903	903	903	903	10,836	11,486	12,175
Licences and permits	1,366	1,366	1,366	1,366	1,366	1,366	1,366	1,366	1,366	1,366	1,366	1,366	16,397	17,381	18,424
Agency services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer receipts - operational	75,800	-	-	-	75,800	-	-	-	75,800	-	-	-	227,399	222,993	242,913
Other revenue	519	519	519	519	519	519	519	519	519	519	519	519	6,226	6,599	6,995
Cash Receipts by Source	137,680	61,880	61,880	61,880	137,680	61,880	61,880	61,880	137,680	61,880	61,880	61,880	969,958	1,009,716	1,076,449
Other Cash Flows by Source															
Transfer receipts - capital	67,613	-	-	-	67,613	-	-	-	67,613	-	-	-	202,838	120,475	119,699
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Short term loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (Increase) in non-current debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Receipts by Source	205,292	61,880	61,880	61,880	205,292	61,880	61,880	61,880	205,292	61,880	61,880	61,880	1,172,796	1,130,191	1,196,148
Cash Payments by Type															
Employee related costs	31,703	31,703	31,703	31,703	31,703	31,703	31,703	31,703	31,703	31,703	31,703	31,703	380,433	403,259	427,454
Remuneration of councillors	1,947	1,947	1,947	1,947	1,947	1,947	1,947	1,947	1,947	1,947	1,947	1,947	23,361	24,763	26,248
Finance charges	1,883	1,883	1,883	1,883	1,883	1,883	1,883	1,883	1,883	1,883	1,883	1,883	22,600	22,600	22,600
Bulk purchases - Electricity	40,819	40,819	12,819	12,819	12,819	12,819	12,819	12,819	12,819	12,819	12,819	40,819	237,822	252,092	267,217
Bulk purchases - Water & Sewer	19,619	19,619	19,619	19,619	19,619	19,619	19,619	19,619	19,619	19,619	19,619	19,619	235,430	249,556	264,529
Other materials	76	76	76	76	76	76	76	76	76	76	76	76	913	968	1,026
Contracted services	12,924	12,924	12,924	12,924	12,924	12,924	12,924	12,924	12,924	12,924	12,924	12,924	155,093	141,648	152,576
Transfers and grants - other municipalities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and grants - other	122	122	122	122	122	122	122	122	122	122	122	122	1,465	1,553	1,646
Other expenditure	4,996	4,996	4,996	4,996	4,996	4,996	4,996	4,996	4,996	4,996	4,996	4,996	59,950	63,065	66,237
Cash Payments by Type	114,089	114,089	86,089	86,089	86,089	86,089	86,089	86,089	86,089	86,089	86,089	114,089	1,117,067	1,159,503	1,229,534
Other Cash Flows/Payments by Type															
Capital assets	1,373	27,087	19,147	20,334	5,720	3,376	26,109	46,119	18,687	21,686	19,453	46,342	255,432	120,650	119,719
Repayment of borrowing	-	-	1,222	-	-	1,222	-	-	1,222	-	-	1,222	4,888	4,888	4,888
Other Cash Flows/Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Payments by Type	115,462	141,176	106,458	106,422	91,808	90,687	112,198	132,208	105,997	107,775	105,542	161,653	1,377,386	1,285,041	1,354,140
NET INCREASE/(DECREASE) IN CASH HELD	89,830	(79,296)	(44,578)	(44,543)	113,484	(28,807)	(50,318)	(70,328)	99,295	(45,895)	(43,662)	(99,773)	(204,590)	(154,850)	(157,980)
Cash/cash equivalents at the month/year begin:	(415,943)	(326,113)	(405,409)	(449,986)	(494,529)	(409,852)	(460,170)	(530,498)	(431,203)	(477,098)	(520,760)	(415,943)	(415,943)	(620,533)	(775,383)
Cash/cash equivalents at the month/year end:	(326,113)	(405,409)	(449,986)	(494,529)	(381,045)	(409,852)	(460,170)	(530,498)	(431,203)	(477,098)	(520,760)	(620,533)	(620,533)	(775,383)	(933,375)

5.9 Contracts having future budgetary implications

In terms of Councils Supply Chain Management Policy, no contracts are awarded beyond the medium-term revenue and expenditure framework (three years). In ensuring adherence to this contractual time frame limitation, all reports submitted to either the Bid Evaluation and Adjudication Committees must obtain formal financial comments from the Financial Management Division of the Treasury Department.

5.10 Capital expenditure details

The following three tables present details of the municipality's capital expenditure programme, firstly on new assets, then the renewal of assets and finally on the repair and maintenance of assets.

Table 37 MBRR SA 34a - Capital expenditure on new assets by asset class

GT484 Merafong City - Supporting Table SA34a Capital expenditure on new assets by asset class

Description	R e f	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<u>Capital expenditure on new assets by Asset Class/Sub-class</u>										
–										
<u>Infrastructure</u>		180,976	138,002	94,134	95,755	184,260	184,260	212,025	117,161	116,200
Roads Infrastructure		152,902	107,851	24,451	16,034	39,431	39,431	29,938	9,491	27,780
<i>Roads</i>		152,902	107,851	24,451	16,034	39,431	39,431	29,938	9,491	27,780
<i>Road Structures</i>										
<i>Road Furniture</i>										
<i>Capital Spares</i>										
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
<i>Drainage Collection</i>										
<i>Storm water Conveyance</i>										
<i>Attenuation</i>										
Electrical Infrastructure		17,966	21,883	27,759	12,500	42,500	42,500	16,000	27,670	25,955
<i>Power Plants</i>										
<i>HV Substations</i>										
<i>HV Switching Station</i>										
<i>HV Transmission Conductors</i>										
<i>MV Substations</i>										
<i>MV Switching Stations</i>										
<i>MV Networks</i>										
<i>LV Networks</i>		17,966	21,883	27,759	12,500	42,500	42,500	16,000	27,670	25,955
<i>Capital Spares</i>										
Water Supply Infrastructure		7,735	8,269	27,155	56,282	92,505	92,505	148,980	25,000	25,540
<i>Dams and Weirs</i>					20,000	26,807	26,807	76,336		

<i>Boreholes</i>									
<i>Reservoirs</i>									
<i>Pump Stations</i>									
<i>Water Treatment Works</i>									
<i>Bulk Mains</i>									
<i>Distribution</i>	7,735	8,269	27,155	36,282	65,698	65,698	72,644	25,000	25,540
<i>Distribution Points</i>									
<i>PRV Stations</i>									
<i>Capital Spares</i>									
Sanitation Infrastructure	1,274	–	8,622	2,934	3,203	3,203	16,006	20,000	–
<i>Pump Station</i>	1,274								
<i>Reticulation</i>									
<i>Waste Water Treatment Works</i>									
<i>Outfall Sewers</i>			8,622	2,934	3,203	3,203	16,006	20,000	
<i>Toilet Facilities</i>									
<i>Capital Spares</i>									
Solid Waste Infrastructure	1,099	–	6,147	8,005	6,620	6,620	1,100	35,000	36,925
<i>Landfill Sites</i>	1,099		6,147	8,005	6,620	6,620	1,100		
<i>Waste Transfer Stations</i>									
<i>Waste Processing Facilities</i>							–	35,000	36,925
<i>Waste Drop-off Points</i>									
<i>Waste Separation Facilities</i>									
<i>Electricity Generation Facilities</i>									
<i>Capital Spares</i>									
Rail Infrastructure	–	–	–	–	–	–	–	–	–
<i>Rail Lines</i>									
<i>Rail Structures</i>									
<i>Rail Furniture</i>									
<i>Drainage Collection</i>									
<i>Storm water Conveyance</i>									
<i>Attenuation</i>									
<i>MV Substations</i>									
<i>LV Networks</i>									
<i>Capital Spares</i>									
Coastal Infrastructure	–	–	–	–	–	–	–	–	–
<i>Sand Pumps</i>									
<i>Piers</i>									
<i>Revetments</i>									
<i>Promenades</i>									
<i>Capital Spares</i>									
Information and Communication Infrastructure	–	–	–	–	–	–	–	–	–
<i>Data Centres</i>									
<i>Core Layers</i>									
<i>Distribution Layers</i>									

<i>Capital Spares</i>								
<u>Community Assets</u>	11,146	6,110	15,017	27,084	32,178	32,178	19,947	-
Community Facilities	8,899	6,110	15,017	27,084	32,178	32,178	19,947	-
Halls	1,162	1,240						
Centres	1,503		14,560	23,410	32,178	32,178	16,273	
Crèches								
Clinics/Care Centres								
Fire/Ambulance Stations								
Testing Stations								
Museums								
Galleries								
Theatres								
Libraries		3,082						
Cemeteries/Crematoria								
Police								
Parks								
Public Open Space								
Nature Reserves								
Public Ablution Facilities								
Markets								
Stalls	6,234	1,789	457	3,674	-	-	3,674	
Abattoirs								
Airports								
Taxi Ranks/Bus Terminals								
Capital Spares								
Sport and Recreation Facilities	2,246	-	-	-	-	-	-	-
Indoor Facilities								
Outdoor Facilities	2,246							
Capital Spares								
<u>Heritage assets</u>	-	-	-	-	-	-	-	-
Monuments								
Historic Buildings								
Works of Art								
Conservation Areas								
Other Heritage								
<u>Investment properties</u>	-	-	-	-	-	-	-	-
Revenue Generating	-	-	-	-	-	-	-	-
Improved Property								
Unimproved Property								
Non-revenue Generating	-	-	-	-	-	-	-	-
Improved Property								

<i>Unimproved Property</i>									
<u>Other assets</u>	-	-	-	-	-	-	-	-	-
Operational Buildings	-	-	-	-	-	-	-	-	-
<i>Municipal Offices</i>									
<i>Pay/Enquiry Points</i>									
<i>Building Plan Offices</i>									
<i>Workshops</i>									
<i>Yards</i>									
<i>Stores</i>									
<i>Laboratories</i>									
<i>Training Centres</i>									
<i>Manufacturing Plant</i>									
<i>Depots</i>									
<i>Capital Spares</i>									
Housing	-	-	-	-	-	-	-	-	-
<i>Staff Housing</i>									
<i>Social Housing</i>									
<i>Capital Spares</i>									
<u>Biological or Cultivated Assets</u>	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets									
<u>Intangible Assets</u>	2,192	555	-	-	-	-	-	-	-
Servitudes									
Licences and Rights	2,192	555	-	-	-	-	-	-	-
<i>Water Rights</i>									
<i>Effluent Licenses</i>									
<i>Solid Waste Licenses</i>									
<i>Computer Software and Applications</i>	2,192	555							
<i>Load Settlement Software Applications</i>									
<i>Unspecified</i>									
<u>Computer Equipment</u>	-	-	-	-	-	-	-	-	-
Computer Equipment									
<u>Furniture and Office Equipment</u>	5,729	7,401	4,807	1,460	1,460	1,460	1,460	1,489	1,519
Furniture and Office Equipment	5,729	7,401	4,807	1,460	1,460	1,460	1,460	1,489	1,519
<u>Machinery and Equipment</u>	-	-	-	-	-	-	2,000	2,000	2,000
Machinery and Equipment							2,000	2,000	2,000
<u>Transport Assets</u>	-	-	-	-	-	-	-	-	-
Transport Assets									

<u>Libraries</u>		-	-	-	-	-	-	-	-	-
Libraries										
<u>Zoo's, Marine and Non-biological Animals</u>		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals										
Total Capital Expenditure on new assets	1	200,042	152,068	113,958	124,299	217,897	217,897	235,432	120,650	119,719

Table 38 MBRR SA 34b - Capital expenditure on the renewal of existing assets

GT484 Merafong City - Supporting Table SA34b Capital expenditure on the renewal of existing assets by asset class

Description	R e f	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<u>Capital expenditure on renewal of existing assets by Asset Class/Sub-class</u>										
-										
<u>Infrastructure</u>		-	-	-	-	-	-	20,000	-	-
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Roads		Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Road Structures										
Road Furniture										
Capital Spares										
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Drainage Collection										
Storm water Conveyance										
Attenuation										
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Power Plants										
HV Substations										
HV Switching Station										
HV Transmission Conductors										
MV Substations										
MV Switching Stations										
MV Networks										
LV Networks										
Capital Spares										
Water Supply Infrastructure		-	-	-	-	-	-	20,000	-	-
Dams and Weirs										
Boreholes										
Reservoirs										
Pump Stations										

<i>Water Treatment Works</i>								
<i>Bulk Mains</i>								
<i>Distribution</i>						20,000		
<i>Distribution Points</i>								
<i>PRV Stations</i>								
<i>Capital Spares</i>								
Sanitation Infrastructure	-	-	-	-	-	-	-	-
<i>Pump Station</i>								
<i>Reticulation</i>								
<i>Waste Water Treatment Works</i>								
<i>Outfall Sewers</i>								
<i>Toilet Facilities</i>								
<i>Capital Spares</i>								
Solid Waste Infrastructure	-	-	-	-	-	-	-	-
<i>Landfill Sites</i>								
<i>Waste Transfer Stations</i>								
<i>Waste Processing Facilities</i>								
<i>Waste Drop-off Points</i>								
<i>Waste Separation Facilities</i>								
<i>Electricity Generation Facilities</i>								
<i>Capital Spares</i>								
Rail Infrastructure	-	-	-	-	-	-	-	-
<i>Rail Lines</i>								
<i>Rail Structures</i>								
<i>Rail Furniture</i>								
<i>Drainage Collection</i>								
<i>Storm water Conveyance</i>								
<i>Attenuation</i>								
<i>MV Substations</i>								
<i>LV Networks</i>								
<i>Capital Spares</i>								
Coastal Infrastructure	-	-	-	-	-	-	-	-
<i>Sand Pumps</i>								
<i>Piers</i>								
<i>Revetments</i>								
<i>Promenades</i>								
<i>Capital Spares</i>								
Information and Communication Infrastructure	-	-	-	-	-	-	-	-
<i>Data Centres</i>								
<i>Core Layers</i>								
<i>Distribution Layers</i>								
<i>Capital Spares</i>								
Community Assets	-	-	-	-	-	-	-	-
Community Facilities	-	-	-	-	-	-	-	-
<i>Halls</i>								

<i>Centres</i>								
<i>Crèches</i>								
<i>Clinics/Care Centres</i>								
<i>Fire/Ambulance Stations</i>								
<i>Testing Stations</i>								
<i>Museums</i>								
<i>Galleries</i>								
<i>Theatres</i>								
<i>Libraries</i>								
<i>Cemeteries/Crematoria</i>								
<i>Police</i>								
<i>Parks</i>								
<i>Public Open Space</i>								
<i>Nature Reserves</i>								
<i>Public Ablution Facilities</i>								
<i>Markets</i>								
<i>Stalls</i>								
<i>Abattoirs</i>								
<i>Airports</i>								
<i>Taxi Ranks/Bus Terminals</i>								
<i>Capital Spares</i>								
Sport and Recreation Facilities	-	-	-	-	-	-	-	-
<i>Indoor Facilities</i>								
<i>Outdoor Facilities</i>								
<i>Capital Spares</i>								
<u>Heritage assets</u>	-	-	-	-	-	-	-	-
<i>Monuments</i>								
<i>Historic Buildings</i>								
<i>Works of Art</i>								
<i>Conservation Areas</i>								
<i>Other Heritage</i>								
<u>Investment properties</u>	-	-	-	-	-	-	-	-
Revenue Generating	-	-	-	-	-	-	-	-
<i>Improved Property</i>								
<i>Unimproved Property</i>								
Non-revenue Generating	-	-	-	-	-	-	-	-
<i>Improved Property</i>								
<i>Unimproved Property</i>								
<u>Other assets</u>	-	-	-	-	-	-	-	-
Operational Buildings	-	-	-	-	-	-	-	-
<i>Municipal Offices</i>								
<i>Pay/Enquiry Points</i>								
<i>Building Plan Offices</i>								
<i>Workshops</i>								
<i>Yards</i>								
<i>Stores</i>								
<i>Laboratories</i>								

<i>Training Centres</i>									
<i>Manufacturing Plant</i>									
<i>Depots</i>									
<i>Capital Spares</i>									
Housing	-	-	-	-	-	-	-	-	-
<i>Staff Housing</i>									
<i>Social Housing</i>									
<i>Capital Spares</i>									
<u>Biological or Cultivated Assets</u>	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets									
<u>Intangible Assets</u>	-	-	-	-	-	-	-	-	-
Servitudes									
Licences and Rights	-	-	-	-	-	-	-	-	-
<i>Water Rights</i>									
<i>Effluent Licenses</i>									
<i>Solid Waste Licenses</i>									
<i>Computer Software and Applications</i>									
<i>Load Settlement Software Applications</i>									
<i>Unspecified</i>									
<u>Computer Equipment</u>	-	-	-	-	-	-	-	-	-
Computer Equipment									
<u>Furniture and Office Equipment</u>	-	-	-	-	-	-	-	-	-
Furniture and Office Equipment									
<u>Machinery and Equipment</u>	-	-	-	-	-	-	-	-	-
Machinery and Equipment									
<u>Transport Assets</u>	-	-	-	-	-	-	-	-	-
Transport Assets									
<u>Libraries</u>	-	-	-	-	-	-	-	-	-
Libraries									
<u>Zoo's, Marine and Non-biological Animals</u>	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals									
Total Capital Expenditure on renewal of existing assets	1	-	-	-	-	-	20,000	-	-
<i>Renewal of Existing Assets as % of total capex</i>		0.0%	0.0%	0.0%	0.0%	0.0%	7.8%	0.0%	0.0%
<i>Renewal of Existing Assets as % of deprecn"</i>		0.0%	0.0%	0.0%	0.0%	0.0%	18.8%	0.0%	0.0%

Table 39 MBRR SA34c - Repairs and maintenance expenditure by asset class

GT484 Merafong City - Supporting Table SA34c Repairs and maintenance expenditure by asset class

Description R thousand	R e f 1	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audite d Outco me	Audited Outco me	Audited Outco me	Origina l Budget	Adjuste d Budget	Full Year Foreca st	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<u>Repairs and maintenance expenditure by Asset Class/Sub- class</u>										
–										
<u>Infrastructure</u>		28,831	10,882	13,436	30,010	29,840	29,840	34,843	38,327	42,160
Roads Infrastructure		16,622	1,739	2,167	2,200	2,200	2,200	2,569	2,826	3,108
<i>Roads</i>		16,622	1,739	2,167	2,200	2,200	2,200	2,569	2,826	3,108
<i>Road Structures</i>										
<i>Road Furniture</i>										
<i>Capital Spares</i>										
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
<i>Drainage Collection</i>										
<i>Storm water Conveyance</i>										
<i>Attenuation</i>										
Electrical Infrastructure		2,258	3,534	4,055	7,094	6,927	6,927	8,088	8,897	9,787
<i>Power Plants</i>										
<i>HV Substations</i>										
<i>HV Switching Station</i>										
<i>HV Transmission Conductors</i>										
<i>MV Substations</i>										
<i>MV Switching Stations</i>										
<i>MV Networks</i>										
<i>LV Networks</i>		2,258	3,534	4,055	7,094	6,927	6,927	8,088	8,897	9,787
<i>Capital Spares</i>										
Water Supply Infrastructure		2,715	3,007	4,322	9,716	9,713	9,713	11,341	12,476	13,723
<i>Dams and Weirs</i>										
<i>Boreholes</i>										
<i>Reservoirs</i>										
<i>Pump Stations</i>										
<i>Water Treatment Works</i>										
<i>Bulk Mains</i>										
<i>Distribution</i>										
<i>Distribution Points</i>		2,715	3,007	4,322	9,716	9,713	9,713	11,341	12,476	13,723
<i>PRV Stations</i>										
<i>Capital Spares</i>										
Sanitation Infrastructure		6,140	2,602	2,891	11,000	11,000	11,000	12,844	14,129	15,542
<i>Pump Station</i>										

<i>Reticulation</i>	1,287	939	1,685	4,400	4,400	4,400	5,138	5,651	6,217
<i>Waste Water Treatment Works</i>	4,852	1,663	1,206	6,600	6,600	6,600	7,707	8,477	9,325
<i>Outfall Sewers</i>									
<i>Toilet Facilities</i>									
<i>Capital Spares</i>									
Solid Waste Infrastructure	1,096	–	–	–	–	–	–	–	–
<i>Landfill Sites</i>	1,096	–							
<i>Waste Transfer Stations</i>									
<i>Waste Processing Facilities</i>									
<i>Waste Drop-off Points</i>									
<i>Waste Separation Facilities</i>									
<i>Electricity Generation Facilities</i>									
<i>Capital Spares</i>									
Rail Infrastructure	–	–	–	–	–	–	–	–	–
<i>Rail Lines</i>									
<i>Rail Structures</i>									
<i>Rail Furniture</i>									
<i>Drainage Collection</i>									
<i>Storm water Conveyance</i>									
<i>Attenuation</i>									
<i>MV Substations</i>									
<i>LV Networks</i>									
<i>Capital Spares</i>									
Coastal Infrastructure	–	–	–	–	–	–	–	–	–
<i>Sand Pumps</i>									
<i>Piers</i>									
<i>Revetments</i>									
<i>Promenades</i>									
<i>Capital Spares</i>									
Information and Communication Infrastructure	–	–	–	–	–	–	–	–	–
<i>Data Centres</i>									
<i>Core Layers</i>									
<i>Distribution Layers</i>									
<i>Capital Spares</i>									
Community Assets	3,933	877	827	3,544	1,956	1,956	2,283	2,512	2,763
Community Facilities	3,933	877	827	3,544	1,956	1,956	2,283	2,512	2,763
<i>Halls</i>	3,933	877	827	3,544	1,956	1,956	2,283	2,512	2,763
<i>Centres</i>									
<i>Crèches</i>									
<i>Clinics/Care Centres</i>									
<i>Fire/Ambulance Stations</i>									
<i>Testing Stations</i>									
<i>Museums</i>									
<i>Galleries</i>									

<i>Theatres</i>								
<i>Libraries</i>								
<i>Cemeteries/Crematoria</i>								
<i>Police</i>								
<i>Parks</i>								
<i>Public Open Space</i>								
<i>Nature Reserves</i>								
<i>Public Ablution Facilities</i>								
<i>Markets</i>								
<i>Stalls</i>								
<i>Abattoirs</i>								
<i>Airports</i>								
<i>Taxi Ranks/Bus Terminals</i>								
<i>Capital Spares</i>								
Sport and Recreation Facilities	-	-	-	-	-	-	-	-
<i>Indoor Facilities</i>								
<i>Outdoor Facilities</i>								
<i>Capital Spares</i>	1	1	1	1	1	1	1	1
Heritage assets	-	-	-	-	-	-	-	-
<i>Monuments</i>								
<i>Historic Buildings</i>								
<i>Works of Art</i>								
<i>Conservation Areas</i>								
<i>Other Heritage</i>								
Investment properties	-	-	-	-	-	-	-	-
<i>Revenue Generating</i>	-	-	-	-	-	-	-	-
<i>Improved Property</i>								
<i>Unimproved Property</i>								
<i>Non-revenue Generating</i>	-	-	-	-	-	-	-	-
<i>Improved Property</i>								
<i>Unimproved Property</i>								
Other assets	836	-	2,465	2,710	1,800	1,800	2,102	2,543
Operational Buildings	836	-	2,465	2,710	1,800	1,800	2,102	2,543
<i>Municipal Offices</i>	836		2,465	2,710	1,800	1,800	2,102	2,543
<i>Pay/Enquiry Points</i>								
<i>Building Plan Offices</i>								
<i>Workshops</i>								
<i>Yards</i>								
<i>Stores</i>								
<i>Laboratories</i>								
<i>Training Centres</i>								
<i>Manufacturing Plant</i>								

Depots										
Capital Spares										
Housing	-	-	-	-	-	-	-	-	-	-
Staff Housing										
Social Housing										
Capital Spares										
<u>Biological or Cultivated Assets</u>	-	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets										
<u>Intangible Assets</u>	-	-	-	-	-	-	-	-	-	-
Servitudes										
Licences and Rights	-	-	-	-	-	-	-	-	-	-
Water Rights										
Effluent Licenses										
Solid Waste Licenses										
Computer Software and Applications										
Load Settlement Software Applications										
Unspecified										
<u>Computer Equipment</u>	-	-	-	-	-	-	-	-	-	-
Computer Equipment										
<u>Furniture and Office Equipment</u>	-	-	-	-	-	-	-	-	-	-
Furniture and Office Equipment										
<u>Machinery and Equipment</u>	-	-	23	800	500	500	584	642	706	
Machinery and Equipment			23	800	500	500	584	642	706	
<u>Transport Assets</u>	-	-	-	-	-	-	-	-	-	-
Transport Assets										
<u>Libraries</u>	-	-	-	-	-	-	-	-	-	-
Libraries										
<u>Zoo's, Marine and Non-biological Animals</u>	-	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals										
Total Repairs and Maintenance Expenditure	1	33,600	11,760	16,751	37,064	34,096	34,096	39,812	43,793	48,173
R&M as a % of PPE		1.1%	0.4%	0.6%	1.2%	1.1%	1.1%	0.0%	1.3%	1.5%
R&M as % Operating Expenditure		2.5%	1.0%	1.3%	2.7%	2.6%	2.6%	0.0%	3.2%	3.3%

Table 40 MBRR SA36 - Detailed capital budget per municipal vote

GT484 Merafong City - Supporting Table SA36 Detailed capital budget

Municipal Vote/Capital project	Ref			Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	GPS co-ordinates		Prior year outcomes		2018/19 Medium Term Revenue & Expenditure Framework			Project information		
R thousand	4	Program/Project description	Project number	IDP Goal code 2	6	3	3	5	Total Project Estimate	Audited Outcome 2016/17	Current Year 2017/18 Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21	Ward location	New or renewal
Parent municipality:																
Infrastructure Assets		Khutsong Roads and Stormwater		A	Yes	Roads Infrastructure	Road Structures	-26.32887 27.319965	16,200	-	-	5,700		10,500		NEW
Infrastructure Assets		Kokosi Roads and Stormwater		A	Yes	Roads Infrastructure	Road Structures	-26.509215 27.46436	6,398	-	-	938		5,460		NEW
Infrastructure Assets		Wedela Ext 3 Roads and Stormwater		A	Yes	Roads Infrastructure	Road Structures	-26.45867 27.38881	17,041	-	-	6,000	4,251	6,790		NEW
Infrastructure Assets		Kokosi Ext 6 Construction of Roads		A	Yes	Roads Infrastructure	Road Structures	-26.509215 27.46436	2,000	-	-	2,000				NEW
Infrastructure Assets		Upgrade of Access road to Carletonville Landfill Site		A	Yes	Roads Infrastructure	Road Structures	-26.345745 27.37814	5,240	-	-		5,240			NEW
Infrastructure Assets		Access Road to Kokosi new WWTP		A	Yes	Roads Infrastructure	Road Structures	-26.509215 27.46436	5,030	-	-			5,030		NEW
Infrastructure Assets		Bridge over rail Khutsong		A	Yes	Roads Infrastructure	Road Structures	-26.334035 27.3235	15,300	-	-	15,300				NEW
Infrastructure Assets		Street Light Merafong Phase 3		A	Yes	Electrical Infrastructure	LV Networks	Merafong wide	21,625	-	-		8,470	13,155		NEW
Infrastructure Assets		Khutsong South Electrification Phase 7		A	Yes	Electrical Infrastructure	LV Networks	-26.353765 27.331675	20,800	-	-		8,000	12,800		NEW
Infrastructure Assets		Kokosi Ext 99 Electrification		A	Yes	Electrical Infrastructure	LV Networks	-26.492205 27.464288	9,200	-	-	6,000	3,200			NEW
Infrastructure Assets		Kokosi Ext 6 Electrification		A	Yes	Electrical Infrastructure	LV Networks	-26.49434 27.461242	18,000	-	-	10,000	8,000			NEW
Infrastructure Assets		Construction of Carletonville Waste Management Depot		A	Yes	Community Facilities	Municipal Offices	-26.49447 27.48079	16,273	-	-	16,273				NEW
Infrastructure Assets		Rehabilitation of Rooipoort Landfill Site		A	Yes	Community Facilities	Waste Transfer Stations	-26.364 27.38895	1,100	-	-	1,100				NEW
Community Assets		Informal Trading Area Carletonville Phase 2		A	Yes	Community Facilities	Stalls	-26.479705 27.494605	3,674	-	-	3,674				NEW
Infrastructure Assets		Welverdiend WWTP (Construction)		A	Yes	Sanitation Infrastructure	Water Treatment Works	-26.33757 27.382015	71,925	-	-		35,000	36,925		NEW
Infrastructure Assets		Sludge Drying Beds - Kokosi & Khutsong WWTP		A	Yes	Sanitation Infrastructure	Water Treatment Works	Two WWTP	36,006	-	-	16,006	20,000			NEW
Infrastructure Assets		Replacement of Khutsong Reservoir		A	Yes	Water Supply Infrastructure	Reservoirs	-26.33033 27.31091	55,000	-	-	55,000				NEW
Infrastructure Assets		Khutsong North Water and Sewer Retoulution		A	Yes	Water Supply Infrastructure	Distribution	-26.334035 27.3235	60,540	-	-	10,000	25,000	25,540		NEW
Infrastructure Assets		Internal Services (Khutsong Ext 5)		A	Yes	Water Supply Infrastructure	Distribution	-26.3781 27.28044	52,380	-	-	52,380				NEW
Infrastructure Assets		Kokosi Ext 7 Bulk supply		A	Yes	Water Supply Infrastructure	Distribution	-26.49456 27.48066	10,264	-	-	10,264				NEW
Infrastructure Assets		Adaba Pipe line		A	Yes	Water Supply Infrastructure	Distribution	-26.334035 27.3235	20,000	-	-	20,000				Renewal
Infrastructure Assets		Pre-Paid meters		A	Yes	Water Supply Infrastructure	Distribution	Merafong Wide	21,336	-	-	21,336				NEW
Parent Capital expenditure	1								485,333			251,972	117,161	116,200		